CINCINNATI BELL INC
Form DEF 14A
March 24, 2017
SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
PROXY STATEMENT PURSUANT TO SECTION 14(a) OF THE SECURITIES EXCHANGE ACT OF 1934
Filed by the Registrant ý Filed by a Party other than the Registrant ¨
Check the appropriate box:

¨ Preliminary Proxy Statement
¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
ý Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to Section 240.14a-11c or Section 240.14a-12
Cincinnati Bell Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)
Payment of Filing Fee (Check the appropriate box):
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(3) Filing Party:
(4) Date Filed:

Cincinnati Bell Inc.
221 East Fourth Street
Cincinnati, Ohio 45202

March 24, 2017

Dear Fellow Shareholder:

You are cordially invited to attend the Annual Meeting of Shareholders of Cincinnati Bell Inc. to be held at 11:00 a.m., Eastern Daylight Time, on Thursday, May 4, 2017, at the Queen City Club, 331 East Fourth Street, Cincinnati, Ohio.

This booklet includes the formal notice of the meeting as well as the proxy statement. The proxy statement gives you information about the formal items of business to be voted on at the meeting and other information relevant to your voting decisions.

We are providing our shareholders access to the proxy materials and our 2016 annual report over the internet. This allows us to provide you with the annual meeting information you need in a fast and efficient manner, while reducing the environmental impact of our annual meeting. On or about March 24, 2017, we will mail to shareholders a Notice of Internet Availability of Proxy Materials (the "Notice") containing instructions on how to access our proxy statement and 2016 annual report online and how to vote online. If you receive such a Notice by mail, you will not receive a printed copy of the materials unless you specifically request one. However, the Notice contains instructions on how to request printed copies of these materials and a proxy card by mail.

Your vote is very important to us. Regardless of the number of shares you own, please vote. You can vote your shares by internet, toll-free telephone call, or, if you request that the proxy materials be mailed to you, by completing, signing and returning the proxy card enclosed with those materials. Please see page 2 of the proxy statement for more detailed information about your voting options.

Very truly yours,

Phillip R. Cox
Chairman of the Board

Notice of 2017 Annual Meeting of Shareholders

Time and Date: 11:00 a.m., Eastern Daylight Time, Thursday, May 4, 2017

Place: Queen City Club
331 East Fourth Street
Cincinnati, Ohio

Matters to be Voted upon:

- Election as directors of the nine nominees named in the accompanying proxy statement for one-year terms expiring at the 2018 Annual Meeting of Shareholders;
- Recommendation, by non-binding advisory vote, of the frequency of the advisory vote regarding our executive officers' compensation;
- Approval, by non-binding advisory vote, of our executive officers' compensation;
- Approval of the Cincinnati Bell Inc. 2017 Long-Term Incentive Plan;
- Approval of the Cincinnati Bell Inc. 2017 Stock Plan for Non-Employee Directors;
- Ratification of our Audit Committee's appointment of our independent registered public accounting firm for 2017; and
- Any other business properly brought before the meeting and any adjournments or postponements of the meeting.

Record Date: March 6, 2017
Only shareholders of record as of the close of business on this date are entitled to vote.

Whether or not you plan to attend the meeting, we encourage you to vote as promptly as possible by the internet or by telephone. If you request a printed copy of the proxy materials, you may complete and return by mail the proxy or voting instruction card you will receive in response to your request, or you can vote by the internet or by telephone. If you attend the meeting and wish to change your vote, you can do so by voting in person at the meeting.

Connie M. Vogt
Corporate Secretary

Proxy Statement for Annual Meeting of Shareholders

The annual meeting of shareholders of Cincinnati Bell Inc. ("Cincinnati Bell", "we", "our", "us", or the "Company") will be held at 11:00 a.m., Eastern Daylight Time, on Thursday, May 4, 2017, at the Queen City Club, 331 East Fourth Street, Cincinnati, Ohio.

We are furnishing this proxy statement to our shareholders in connection with the solicitation of proxies by our Board of Directors for the 2017 Annual Meeting of Shareholders on that date, and any adjournment or postponement of the meeting. Our 2016 annual report accompanies this proxy statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON May 4, 2017.

This proxy statement and the 2016 annual report are first being made available on the website at www.proxyvote.com, or mailed to shareholders who have requested paper copies, on or about March 24, 2017. Other information on our website does not constitute part of this proxy statement.

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Meeting and Voting Highlights

The Annual Meeting

Time and Date:	11:00 a.m., Eastern Daylight Time, Thursday, May 4, 2017
Place:	Queen City Club 331 East Fourth Street Cincinnati, Ohio
Record Date:	March 6, 2017

Purpose of Meeting

This is the Annual Meeting of the Shareholders of Cincinnati Bell Inc. ("Cincinnati Bell", "we", "our", "us", or the "Company"). At the meeting, we will be voting upon:

		Board's Recommendation	Votes Required for Approval
Proposal 1:	Election of directors for one-year terms expiring in 2018.	FOR each nominee	Majority of votes cast
Proposal 2:	Recommendation, by a non-binding advisory vote, of the frequency of the advisory vote regarding our executive officers' compensation.	1 YEAR	The vote frequency receiving the highest number of votes
Proposal 3:	Approval, by a non-binding advisory vote, of our executive officers' compensation.	FOR	Majority of shares present and entitled to vote
Proposal 4:	Approval of the Cincinnati Bell Inc. 2017 Long-Term Incentive Plan.	FOR	Majority of shares present and entitled to vote
Proposal 5:	Approval of the Cincinnati Bell Inc. 2017 Stock Plan for Non-Employee Directors.	FOR	Majority of shares present and entitled to vote
Proposal 6:	Ratification of our Audit Committee's appointment of our independent registered public accounting firm for 2017.	FOR	Majority of shares present and entitled to vote

Our Board of Directors ("Board") strongly encourages you to exercise your right to vote on these matters. Your vote is important. We are furnishing this proxy statement to provide information in connection with the Company and the proposals being voted upon at the 2017 Annual Meeting.

Note Regarding Share-Related Numbers in the Proxy Statement

On October 4, 2016, we effected a 1-for-5 reverse stock split of our common shares (the "Reverse Stock Split"). All share amounts, per share amounts and share prices reflected through this proxy statement have been adjusted to reflect the Reverse Stock Split, unless otherwise noted.

Who May Vote

Common and preferred stock shareholders of Cincinnati Bell Inc. whose shares are recorded directly in their names in our stock register ("shareholders of record") at the close of business on March 6, 2017 (the "Record Date"), may vote their shares on the matters to be acted upon at the meeting. Shareholders who hold shares of our common stock in "street name," that is, through an account with a bank, broker, or other holder of record, as of such date may direct the holder of record how to vote their shares at the meeting by following the instructions that the street name holders will receive from the holder of record.

How to Vote

If you meet the above qualification, you may vote in one of the following four ways:

BY INTERNET	BY PHONE	BY MAIL	ATTEND THE MEETING
:	(	*	?
Go to www.proxyvote.com 24/7 and follow the instructions. You need the 12-digit control number included in the Notice of Internet Availability of Proxy Materials, proxy card or voting instructions form sent to you. Voting will be available until 11:59 p.m., EDT, May 3, 2017.	Call toll-free 1-800-690-6903, 24/7, and follow the instructions. You need the 12-digit control number included in the Notice of Internet Availability of Proxy Materials, proxy card or voting instructions form sent to you. Voting will be available until 11:59 p.m., EDT, May 3, 2017.	You can vote by marking, dating and signing your proxy card and returning it by mail in the postage-paid envelope provided. Please mail these items to allow delivery prior to the meeting.	Whether you are a shareholder of record or a street name holder, you may vote your shares at the annual meeting if you attend in person. See "How can I attend and vote my shares at the meeting?" on page 60.

To allow sufficient time for voting, your voting instructions must be received by 11:59 p.m. Eastern Daylight Time ("EDT"), on May 3, 2017.

Admission to the Meeting

If you are a shareholder of record, you will need to bring with you to the meeting either the Notice of Internet Availability of Proxy Materials (the "Notice") or any proxy card that is sent to you. Otherwise, you will be admitted only upon other verification of record ownership at the admission counter.

If you own shares held in street name, bring with you to the meeting either the Notice or any voting instruction form that is sent to you, or your most recent brokerage statement or a letter from your bank, broker, or other record holder indicating that you beneficially owned shares of our common stock on March 6, 2017. We can use that to verify your beneficial ownership of common stock and admit you to the meeting. If you intend to vote at the meeting, you also will need to bring to the meeting a signed proxy from your bank, broker, or other holder of record that authorizes you to vote the shares that the record holder holds for you in its name.

Additionally, all persons will need to bring a valid government-issued photo ID to gain admission to the meeting.

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Additional Information

More detailed information about the 2017 Annual Meeting of Shareholders and voting can be found in "Questions and Answers" beginning on page 59.

Governance

Board of Directors and Committees

Corporate Governance Overview

Our business, property and affairs are managed under the direction of our Board. Members of our Board are kept informed of our business through discussions with our Chief Executive Officer and other officers, by reviewing materials provided to them, by visiting our offices and by participating in meetings of the Board and its committees.

The Company’s Amended Regulations provide that the Board shall consist of not less than nine nor more than 17 persons, with the exact number to be fixed and determined by resolution of the Board or by resolution of the shareholders at any annual or special meeting of shareholders. At this time, the Board has determined that the Board shall consist of nine members.

The Company has a long-standing policy that the positions of Chairman of the Board (currently held by Mr. Phillip R. Cox) and Chief Executive Officer (currently held by Mr. Theodore H. Torbeck) should be held by separate persons, as discussed in its Corporate Governance Guidelines. The Company continues to believe that this structure is in the best interest of shareholders because it facilitates the Board’s oversight of management, allows the independent directors to be more actively involved in setting agendas and establishing priorities for the work of the Board, and is consistent with the principles of good corporate governance.

Our Board currently has the following four committees: (i) the Audit and Finance Committee, (ii) the Compensation Committee, (iii) the Governance and Nominating Committee, and (iv) the Executive Committee. The members and function of each committee are described below. During fiscal year 2016, the Board held six meetings and twice took action by unanimous written consent, and all directors attended at least 75% of all Board and applicable committee meetings during the period in which he or she served as a director, except Mr. John M. Zrno, whose attendance of 67% was due to the terminal illness of his spouse for whom he was the primary caregiver. With the exception of 2016, Mr. Zrno's prior attendance has been at or above the 75% threshold throughout his tenure on the Board and the Company is confident that Mr. Zrno's attendance will not be an issue in 2017.

Under the Company’s Corporate Governance Guidelines, directors are expected to attend the Annual Meeting of Shareholders. With the exception of Mr. Zrno as noted above, all of the directors, who were on the Board at the time and were seeking election, attended the 2016 Annual Meeting of Shareholders.

For information on how to obtain a copy of the Company's Corporate Governance Guidelines, please see page 64.

Director Independence

In accordance with the rules and listing standards of the New York Stock Exchange ("NYSE") and the Company's Corporate Governance Guidelines, the Board affirmatively evaluates and determines the independence of each director and each nominee for election. Based on an analysis of information supplied by the directors, the Board evaluates whether any director has any material relationship with the Company, either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company that might cause a conflict of interest in the performance of a director's duties.

Based on these standards, the Board determined that each of the following persons who served as a non-employee director in 2016 is independent and has no relationship with the Company, except as a director and shareholder:

• Phillip R. Cox	• Russel P. Mayer
• John W. Eck	• Lynn A. Wentworth
• Jakki L. Haussler	• Martin J. Yudkovitz
• Craig F. Maier	• John M. Zrno

In addition, based on these standards, the Board determined that Mr. Torbeck was not independent because he served as the President (until September 1, 2016) and Chief Executive Officer of the Company in 2016.

The non-employee directors of the Company meet in executive session without management present at each regularly scheduled meeting of the Board. Mr. Cox presides at the meetings of the non-employee directors.

Committees of the Board

The Board has four committees: (i) the Audit and Finance Committee, (ii) the Compensation Committee, (iii) the Governance and Nominating Committee and (iv) the Executive Committee. For information on how to obtain a copy of each committee's charter (other than the Executive Committee), please see page 64.

The directors serving on each Committee are appointed by the Board at least annually for terms expiring at the next annual meeting of shareholders.

The following table lists the chairs (C) and members (M) of each standing committee at the end of 2016:

Name of Director	Audit and Finance	Compensation	Governance and Nominating	Executive
Non-Employee Directors (a)				
Phillip R. Cox	M	M	M	C
John W. Eck		M	M	
Jakki L. Haussler	M		M	
Craig F. Maier	M	C		M
Russel P. Mayer	M		C	M
Lynn A. Wentworth	C	M		M
Martin J. Yudkovitz		M	M	
John M. Zrno	M		M	
Employee Directors				
Theodore H. Torbeck				M

(a) All non-employee directors were determined by the Board to be independent directors.

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Audit and Finance Committee: The Audit and Finance Committee currently consists of six persons, none of whom is an executive officer of the Company. The Audit and Finance Committee held five meetings during 2016. The purpose of the Audit and Finance Committee is, among other things, to assist the Board in its oversight of (i) the integrity of the financial statements of the Company, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independence and qualifications of the independent registered public accounting firm ("Independent Registered Public Accounting Firm"), (iv) the Company's risk assessment and risk management policies, and (v) the performance of the Company's internal audit function and Independent Registered Public Accounting Firm. To this end, the Audit and Finance Committee meets in executive session with its own members and may also meet separately with the Independent Registered Public Accounting Firm, the Company's internal auditors, General Counsel or members of management. The Audit and Finance Committee Charter provides a more detailed description of the responsibilities and duties of the Audit and Finance Committee. For information on how to obtain a copy of the Audit and Finance Committee Charter, please see page 64.

While the Board has ultimate responsibility for risk oversight, it delegates many of these functions to the Audit and Finance Committee. The Audit and Finance Committee receives regular updates on the Company's existing and emerging risks from the Company's Internal Audit department. The updates are based upon interviews with senior management of the Company as well as other key employees. The updates include risk rankings and a general description of risk mitigation activities pertaining to each item. In addition, the Audit and Finance Committee receives regular updates from the Company's Chief Security Officer on cyber security risks and the actions being taken by his department to monitor and mitigate those risks. The Audit and Finance Committee also oversees the Company's Security Breach Response and Notification Plan, which sets forth the Company's plan for notifying affected persons and other stakeholders in the event a security breach involving personally identifiable information or protected health information triggers notification requirements under applicable law. The Audit and Finance Committee provides periodic updates to the full Board on risk oversight and cyber security matters.

In performing its duties, the Audit and Finance Committee meets as often as necessary and at least once each calendar quarter with members of management, the Company's internal audit staff and the Independent Registered Public Accounting Firm. An agenda for each such meeting is provided in advance to the members of the Audit and Finance Committee.

The Board determined that each member of the Audit and Finance Committee satisfies the independence requirements of the rules and regulations of the Securities and Exchange Commission (the "SEC") and the independence and other requirements of the rules and listing standards of the NYSE. No member of the Audit and Finance Committee serves on the audit committees of more than three public companies. In addition, the Board determined that Ms. Wentworth and Ms. Haussler are audit committee financial experts as defined in the regulations of the SEC and that each member of the Audit and Finance Committee is financially literate as defined by the rules and listing standards of the NYSE. For Ms. Wentworth's and Ms. Haussler's relevant experience, please see pages 14 - 15.

Compensation Committee: The Compensation Committee currently consists of five persons, none of whom is an executive officer. The Compensation Committee held six meetings during 2016. The Compensation Committee is responsible for, among other things, ensuring that directors and certain key executives are effectively and competitively compensated in terms of base compensation and short- and long-term incentive compensation and benefits. In addition, the Compensation Committee evaluates the performance of the Chief Executive Officer and reviews with management the succession planning process for key executive positions. The Compensation Committee Charter provides a more detailed description of the responsibilities and duties of the Compensation Committee. For information on how to obtain a copy of the Compensation Committee Charter, please see page 64.

The Compensation Committee meets as often as necessary to perform its duties. The Compensation Committee also meets separately with the Company's Chief Executive Officer and other corporate officers, as it deems appropriate, to establish and review the performance criteria and compensation of the Company's executive officers. An agenda for each such meeting is provided in advance to the members of the Compensation Committee.

The Board determined that each member of the Compensation Committee satisfies the independence requirements of the rules and listing standards of the NYSE.

Governance and Nominating Committee: In 2016, the Governance and Nominating Committee consisted of six persons, none of whom is an executive officer. The Governance and Nominating Committee held three meetings during 2016. The Governance and Nominating Committee, among other things, identifies individuals to become members of the Board, periodically reviews the size and composition of the Board, evaluates the performance of Board members, makes recommendations regarding the determination of a director's independence, recommends committee appointments and chairpersons to the Board, periodically reviews and recommends to the Board updates to the Company's Corporate Governance Guidelines and related Company policies and oversees an annual evaluation of the Board and its committees. The Governance and Nominating Committee Charter provides a more detailed description of the responsibilities and duties of the Governance and Nominating Committee. For information on how to obtain a copy of the Governance and Nominating Committee Charter, please see page 64.

The Chief Executive Officer and the Secretary of the Company typically attend the meetings of the Governance and Nominating Committee. An agenda for each such meeting is provided in advance to the members of the Governance and Nominating Committee.

The Board determined that each member of the Governance and Nominating Committee satisfies the independence requirements of the rules and listing standards of the NYSE.

Executive Committee: The Executive Committee currently consists of five persons, one of whom is Mr. Torbeck who serves as Chief Executive Officer of the Company. The Executive Committee held two meetings during 2016. The Executive Committee acts on behalf of the Board in certain matters, when necessary, between Board meetings.

Other Responsibilities and Governance Process

COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION

As of December 31, 2016, the members of the Compensation Committee included Ms. Wentworth and Messrs. Cox, Eck, Maier and Yudkovitz. None of the Compensation Committee members have at any time been an officer or employee of the Company. None of the Company's executive officers serve, or in the past fiscal year served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on the Company's Board or Compensation Committee.

CODE OF BUSINESS CONDUCT AND CODES OF ETHICS

The Company has a Code of Business Conduct applicable to all officers and employees that describes requirements related to ethical conduct, conflicts of interest and compliance with laws. In addition to the Code of Business Conduct, the Chief Executive Officer and senior financial officers are subject to the Code of Ethics for Senior Financial Officers and the directors are subject to the Code of Ethics for Directors.

For information on how to obtain a copy of the Company's Code of Business Conduct, Code of Ethics for Senior Financial Officers or Code of Ethics for Directors, please see page 64.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The Board is committed to upholding the highest legal and ethical conduct in fulfilling its responsibilities and recognizes that related party transactions can present a heightened risk of potential or actual conflicts of interest. Accordingly, as a general matter, it is the Company's preference to avoid related party transactions. Current SEC rules define a related party transaction to include any transaction, arrangement or relationship (i) in which the Company is a participant, (ii) in which the transaction has an aggregate value greater than $120,000, and (iii) in which any of the following persons has or will have a direct or indirect material interest:

- an executive officer, director or director nominee of the Company;
- any person who is known to be the beneficial owner of more than 5% of the Company's common and preferred shares;
- any person who is an immediate family member (as defined under Item 404 of Regulation S-K) of an executive officer, director or director nominee or beneficial owner of more than 5% of the Company's common or preferred shares; or
- any firm, corporation or other entity in which any of the foregoing persons is employed or is a partner or principal or in a similar position or in which such person, together with any other of the foregoing persons, has a 10% or greater beneficial ownership interest.

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The Company's Code of Business Conduct, the Company’s Code of Ethics for Senior Financial Officers and the Company’s Code of Ethics for Directors require directors, officers and all other members of the workforce to avoid any relationship, influence or activity that would cause or even appear to cause a conflict of interest. The Company’s Code of Business Conduct, Code of Ethics for Senior Financial Officers and Code of Ethics for Directors generally require (i) a director to promptly disclose to the Governance and Nominating Committee any potential or actual conflict of interest involving him or her and (ii) an employee, including the executive officers, to promptly disclose a conflict of interest to the General Counsel. The Governance and Nominating Committee (and, if applicable, the General Counsel) determines an appropriate resolution to actual or potential conflicts of interest on a case-by-case basis. All directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests. All related party transactions shall be disclosed in the Company's applicable filings with the SEC as required under SEC rules. In 2016, there were no related party transactions requiring disclosure.

Director Compensation

Annual Compensation Program

The Company uses a combination of cash and stock-based incentive compensation to attract and retain qualified candidates to serve on the Board. In setting director compensation, the Company considers the significant amount of time that Directors spend in fulfilling their duties to the Company as well as the skill level required.

Compensation for Employee Directors

Directors who are also employees of the Company (or any subsidiary of the Company) receive no additional compensation for serving on the Board or its committees during the period of their employment. If such directors continue on the Board after their employment ends, such directors may receive additional compensation in connection with such continued service.

General Compensation Policy for Non-Employee Directors

Directors who are not employees of the Company or any subsidiary of the Company ("non-employee directors") while serving as directors of the Company receive compensation from the Company for their service on the Board. The table below sets forth the annual compensation for non-employee directors in 2016.

Compensation Element	2016
Chairman of the Board Annual Retainer (a)	$320,000
Annual Board Retainer	$70,000
Annual Board Equity Award (b)	$90,000
Annual Audit and Finance Committee Chairman Retainer	$27,000
Annual Audit and Finance Committee Member Retainer	$15,000
Annual Compensation Committee Chairman Retainer	$18,000
Annual Compensation Committee Member Retainer	$10,000
Annual Governance and Nominating Committee Chairman Retainer	$16,000
Annual Governance and Nominating Committee Member Retainer	$10,000

(a) The Chairman is not entitled to receive any of the other annual Board or Committee retainers described above; however, the Chairman is eligible for the Annual Board Equity Award.

(b) The Annual Board Equity Award is paid in the form of an award granted under the Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors. In 2016, the Annual Board Equity Award was paid to all non-employee directors, including the Chairman of the Board, in the form of restricted stock units with an aggregate value of $90,000 and a one-year vesting period. On August 2, 2016, the Board increased the value of the Annual Board Equity Award to $100,000 beginning with the 2017 award grants.

Non-Employee Directors Deferred Compensation Plan

Effective October 30, 2015, the Board approved the termination of the elective deferral part of the Cincinnati Bell Inc. Deferred Compensation Plan for Outside Directors (the "Directors Deferred Compensation Plan"). In accordance with Section 409A of the Internal Revenue Code and the Treasury Regulations issued thereunder, no new deferrals have been or will be permitted under the Directors Deferred Compensation Plan and all outstanding elective account balances were liquidated and distributed to the participants on November 7, 2016.

Non-Employee Directors Stock Option Plan

The Company grants its non-employee directors time-based restricted shares, restricted stock units, and/or options to purchase common shares under the Cincinnati Bell Inc. 2007 Stock Option Plan for Non-Employee Directors, as amended (the "2007 Directors Plan"). Pursuant to the current terms of such plan, each non-employee director of the Company, at the discretion of the Board, may be granted a number of restricted common shares, restricted stock units, and/or a stock option for a number of common shares (as determined by the Board) on the date of each annual meeting, if such director first became a non-employee director of the Company before the date of such annual meeting and continues in office as a non-employee director after such meeting.

Currently under the 2007 Directors Plan, up to 300,000 common shares may in the aggregate be the subject of awards granted during the life of the plan, all of which could be subject to stock option awards, restricted stock awards or restricted stock units. The Company has flexibility regarding the type of awards to issue. The Board will exercise its discretion in granting such options, time-based restricted shares, or restricted stock units with the intent that such grants, together with other Company equity-based compensation, provide Company equity-based compensation that is competitive with the value of equity-based compensation provided by comparable companies to their non-employee directors.

Under the 2007 Directors Plan, in 2016 the Company granted restricted stock unit awards that vest after one year and with an aggregate value of $90,000 on the date of grant to each non-employee director. In 2017, the Company intends to again grant restricted stock units that vest after one year and with an aggregate value of $100,000 on the date of grant to each incumbent non-employee director. Awards granted in 2015 had an aggregate value of $80,000. Awards granted in 2014 had an aggregate value of $70,000. For 2014 and 2015, the awards were also in the form of restricted stock units which vested on the first anniversary of the grant date.

Each stock option granted to a non-employee director under the 2007 Directors Plan, or a predecessor plan, requires that upon the exercise of the option, the price to be paid for the common shares that are being purchased under the option will be equal to 100% of the fair market value of such shares as determined at the time the option is granted. With certain exceptions provided in the 2007 Directors Plan, a non-employee director of the Company who is granted an option under the plan generally will have ten years from the date of the grant to exercise the option.

In general, each award will require that the restrictions not lapse in full unless the non-employee director continues to serve as a director of the Company for the vesting period after the applicable award grant date or ends service as a Company director under special circumstances (e.g., death, disability, or attaining retirement age).

2016 Director Compensation

The following table shows the compensation paid to our non-employee directors for the 2016 fiscal year:

DIRECTOR COMPENSATION

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (a) (b)	Option Awards ($) (b)	Total ($)
Phillip R. Cox	320,000	90,000	—	410,000
John W. Eck	90,000	90,000	—	180,000
Jakki L. Haussler	95,000	90,000	—	185,000
Craig F. Maier	103,000	90,000	—	193,000
Russel P. Mayer	101,000	90,000	—	191,000
Lynn A. Wentworth	107,000	90,000	—	197,000
Martin J. Yudkovitz	84,203	90,000	—	174,203
John M. Zrno	95,000	90,000	—	185,000

(a) The values reflect the aggregate grant-date fair value of the restricted stock units granted on April 29, 2016 computed in accordance with Accounting Standards Codification Topic 718, “Compensation - Stock Compensation” (“ASC 718”) for all awards. For a discussion of the valuation assumptions and methodology, see Note 12 to the Company’s Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 31, 2016.

(b) No stock options were awarded in 2016. As of December 31, 2016, the non-employee directors and former directors held an aggregate of 37,696 unvested stock awards and an aggregate of 16,880 option awards (granted in years prior to 2008), as set forth in the following table.

Name	Number of Unvested Stock Awards Outstanding as of December 31, 2016	Number of Option Awards Outstanding as of December 31, 2016
Phillip R. Cox	4,712	1,800
John W. Eck	4,712	—
Jakki L. Haussler	4,712	—
Craig F. Maier	4,712	—
Russel P. Mayer	4,712	—
Lynn A. Wentworth	4,712	—
Martin J. Yudkovitz	4,712	—
John M. Zrno	4,712	11,480

Board of Directors Selection Process

Director Qualifications and Nominations

The Governance and Nominating Committee will consider director candidates recommended by shareholders. The Governance and Nominating Committee did not receive, and therefore did not consider, any recommendations for director candidates by any shareholder for the 2017 Annual Meeting of Shareholders.

The Governance and Nominating Committee uses the following process to identify and evaluate director nominee candidates. Any qualified individual or group, including shareholders, incumbent directors and members of senior management, may at any time propose a candidate to serve on the Board. Background information on proposed candidates is forwarded to the Governance and Nominating Committee. For information on how to propose a candidate to serve on the Board, please see page 64. The Governance and Nominating Committee reviews forwarded materials relating to prospective candidates in the event of a director vacancy. A candidate selected from the review is interviewed by each member of the Governance and Nominating Committee, unless the member waives the interview requirement. If approved by the Governance and Nominating Committee, the candidate will be recommended to the full Board for consideration. The Governance and Nominating Committee evaluates shareholder-recommended candidates in the same manner that it evaluates all other candidates.

All nominees to the Board should possess the following attributes:

- Established leadership reputation in his/her field;
- Known for good business judgment;
- Active in business;
- Knowledge of business on a national/global basis;
- Meets high ethical standards; and
- Commitment to regular board/committee meeting attendance.

In addition, the Board will consider the following factors:

- The nominee's familiarity with the field of IT services, entertainment and communications; and
- Whether the nominee would contribute to the gender, racial and/or geographical diversity of the Board.

While the Company has not adopted a formal process or policy for determining diversity exists on the Board, the selection criteria used by the Governance and Nominating Committee when considering director nominees, as noted above, includes as a factor whether a nominee would contribute to the gender, racial and/or geographical diversity of the Board.

Item 1 - Election of Directors

The Company's Amended Regulations provide that the Board shall consist of not less than nine nor more than 17 persons, with the exact number to be fixed and determined by resolution of the Board or by resolution of the shareholders at any annual or special meeting of shareholders. The Board has determined that the Board shall consist of nine members.

The directors will serve until their respective successors are elected and qualified.

Based upon the recommendations of the Governance and Nominating Committee, the Board has nominated Phillip R. Cox, John W. Eck, Jakki L. Haussler, Craig F. Maier, Russel P. Mayer, Lynn A. Wentworth, Martin J. Yudkovitz, John M. Zrno and Theodore H. Torbeck to serve until the 2018 Annual Meeting of Shareholders. Each of the nominees is standing for re-election. The Board has determined all director nominees, other than Mr. Torbeck, are independent and have no relationship with the Company other than as a shareholder and director.

If, at the time of the Annual Meeting, one or more of the nominees should be unavailable or unable to serve as a candidate, the shares represented by the proxies will be voted to elect the remaining nominees, if any, and any substitute nominee or nominees designated by the Board. The Board knows of no reason why any of the nominees will be unavailable or unable to serve.

Information regarding the business experience of each nominee is provided on pages 14 - 16.

Majority Vote Requirements; Holdover Directors

A director nominee who receives a majority of the votes cast will be elected to the Board. If a director nominee is an incumbent director and does not receive a majority of the votes cast, the Company's Amended Regulations require that such "holdover director" promptly tender his or her resignation to the Board, subject to acceptance by the Board. The Governance and Nominating Committee will make a recommendation to the Board as to whether to accept or reject the holdover director's resignation or whether other action should be taken. The Board will act on the tendered resignation by the holdover director, taking into account the Governance and Nominating Committee's recommendation, and publicly disclose its decision regarding the tendered resignation of the holdover director and the rationale behind the decision within 90 days from the date of the certification of the election results by the Inspector of Elections. The Governance and Nominating Committee in making its recommendation and the Board in making its decision may consider any factors or other information that they consider appropriate and relevant. The holdover director who tenders his or her resignation shall not participate in the recommendation of the Governance and Nominating Committee or the decision of the Board with respect to his or her tendered resignation.

If a holdover director's resignation is accepted by the Board pursuant to the Company's Amended Regulations, the Board may either fill the resulting vacancy or, if permitted, may decrease the size of the Board in accordance with law and the Company's Amended Regulations.

Vote Required

A director nominee must receive a majority of the votes cast to be elected to the Board. Since neither abstentions nor broker non-votes will be considered as votes cast in the election of directors, they will not have an effect on the outcome of the election.

Our Recommendation

The Board recommends election of each of the nominees.

The following are brief biographies of each person nominated for election as a director of the Company.

NOMINEES FOR DIRECTORS (Terms Expire in 2018)

Phillip R. Cox	Mr. Cox has been President and Chief Executive Officer of Cox Financial Corporation (a financial planning services company) since 1972. He is a current director of TimkenSteel, Diebold Inc., and Touchstone Mutual Funds. He is a former director of the Federal Reserve Bank of Cleveland and Duke Energy Corporation. Director since 1993. Age 69. With his years of entrepreneurial and managerial experience in the development and growth of Cox Financial Corporation, coupled with the experience he has gained from serving on the audit and compensation committees of several public company boards, Mr. Cox brings a valuable perspective to the Company’s Board. In addition, having served as Chairman of the Company’s Board since 2003, Mr. Cox has demonstrated an effective management style and the ability to facilitate the Board’s primary oversight functions.
John W. Eck	Mr. Eck is currently the Chief Local Media Officer at Univision Communications, Inc. ("Univision"), the leading Hispanic media company in the United States. Prior to joining Univision in 2011, Mr. Eck worked at NBC Universal (“NBCU”) for 18 years, most recently serving as President, Media Works, where he oversaw NBCU’s information, broadcasting and production technology and NBCU’s television and film studio operations. Prior to joining NBCU, Mr. Eck held various other executive and financial positions at General Electric Company ("GE"). Director since 2014. Age 57. With over 33 years of media, finance and information technology experience at Univision, NBCU and GE, Mr. Eck brings relevant industry experience from the perspective of a producer and distributor of media content. This experience makes him a very valuable asset to the Board, the Compensation Committee and the Governance and Nominating Committee.
Jakki L. Haussler	Ms. Haussler has served as Chairman and Chief Executive Officer of Opus Capital Group (a registered investment advisory firm) since 1996. She is a director of Morgan Stanley Funds. She is a former director of Capvest Venture Fund, LP, Adena Ventures, LP (a venture capital fund), and The Victory Funds. Director since 2008. Age 59. With more than 30 years of experience in the financial services industry, including her years of entrepreneurial and managerial experience in the development and growth of Opus Capital Group, Ms. Haussler brings a valuable perspective to the Company’s Board. Through her role at Opus Capital and her service as a director of several venture capital funds and other boards, Ms. Haussler has gained valuable experience dealing with accounting principles and evaluating financial results of large corporations. She is a certified public accountant (inactive), an attorney in the State of Ohio (inactive), and an audit committee financial expert under SEC regulations. This experience, coupled with her educational background, makes her a valuable asset to the Board, the Audit and Finance Committee and the Governance and Nominating Committee.

Craig F. Maier	Mr. Maier recently retired from his role as President and Chief Executive Officer of Frisch's Restaurants, Inc. ("Frisch's"), operator of family style restaurants and former publicly-traded company, a position he held from 1989 to 2015. He was also a director of Frisch's from 2008 to 2015. Director since 2008. Age 67. With over 20 years of experience as the chief executive officer of a large, publicly-traded corporation, Mr. Maier brings to the Board demonstrated management and leadership ability. In addition, Mr. Maier has valuable experience dealing with accounting principles, financial reporting regulations and evaluating financial results of large corporations. This experience makes him a valuable asset to the Board as Chairman of the Compensation Committee and a member of the Audit and Finance Committee and Executive Committee.
Russel P. Mayer	Mr. Mayer is retired, and is now working part time with several consulting companies in information technology and business process improvement. Prior to joining the Board, Mr. Mayer held several executive-level information technology and business process improvement positions at General Electric Company ("GE"). Most recently, he was Executive Vice President, CIO, and Quality Leader at GE Healthcare from 2009 to 2012. Prior to that, he was Executive Vice President and CIO at GE Healthcare from 2005 to 2008; Vice President and CIO at GE Aircraft Engines and GE Transportation from 2000 to 2005; and CIO and Chief Quality Officer at NBC from 1998 to 2000. He held various other information technology and business process improvement positions at GE from 1986 to 1998. Prior to that he held multiple positions at Chiquita Brands, Republic Steel and Enduro Stainless. Director since 2013. Age 63. With over 35 years of information technology and business process improvement experience at large, global organizations, Mr. Mayer brings relevant industry experience from the customer's perspective. This experience makes him a valuable asset to the Board as Chairman of the Governance and Nominating Committee and a member of the Audit and Finance Committee and Executive Committee. He also serves as a valuable resource to the Company's management team.
Lynn A. Wentworth	Ms. Wentworth is the former Senior Vice President, Chief Financial Officer and Treasurer of BlueLinx Holdings Inc. ("BlueLinx"), a building products distributor, from 2007 to 2008. Prior to joining BlueLinx, she was, most recently, Vice President and Chief Financial Officer for BellSouth Corporation's Communications Group ("BellSouth") and held various other positions at BellSouth from 1985 to 2007. She is a certified public accountant licensed in the state of Georgia. She is a director, chair of the Audit Committee and member of the Nominating & Governance Committee of Graphic Packaging Holding Company and a director and member of the Audit & Finance and Compensation Committees of CyrusOne Inc. Director since 2008. Age 58. Ms. Wentworth's experience as Chief Financial Officer and Treasurer of BlueLinx as well as her 22 years of telecommunications industry experience at BellSouth makes her a valuable asset to the Board as Chair of the Audit and Finance Committee and a member of the Compensation Committee and Executive Committee. Ms. Wentworth qualifies as an audit committee financial expert under applicable SEC regulations. Ms. Wentworth's prior experience has provided her with a wealth of knowledge in dealing with complex financial and accounting matters affecting large corporations in the telecommunications industry.

Martin J. Yudkovitz	Mr. Yudkovitz is retired. He was head of The Walt Disney Company's ("Disney") Strategic Innovation Group (2010 through 2015). He also served as the Senior Vice President for Corporate Strategy and Business Development at Disney (2005-2010) and as President of TiVo (2003-2005). Previously, Mr. Yudkovitz was President of two divisions at NBC, a key member of the teams that developed and launched the CNBC and MSNBC networks. Director since 2015. Age 62. With over 30 years of experience in the broadcast and media entertainment industries, Mr. Yudkovitz brings to the Board relevant industry experience, which makes him a valuable asset to the Board as a member of the Compensation Committee and the Governance and Nominating Committee. In addition, Mr. Yudkovitz's previous experience leading large strategic business innovation initiatives at both NBC and Disney makes him a valuable advisor to the Company's management team on key areas of growth.
John M. Zrno	Mr. Zrno is retired. He was President and Chief Executive Officer of IXC Communications, Inc. (a telecommunications company) from June 1999 through November 1999. He served as President and Chief Executive Officer of ALC Communications Corporation from 1988 through 1995. Director since 1999. Age 78. With over 40 years of experience in the telecommunications industry and his past experience as the chief executive officer of two large telecommunications corporations, Mr. Zrno brings to the Board demonstrated management and leadership ability. In addition, Mr. Zrno has gained valuable experience dealing with accounting principles, financial reporting regulations and evaluating financial results of large corporations. This experience makes him a valuable asset to the Board as a member of the Audit and Finance Committee and Governance and Nominating Committee.
Theodore H. Torbeck	Mr. Torbeck was named Chief Executive Officer of Cincinnati Bell Inc. effective January 31, 2013. He also served as President from January 31, 2013 until September 1, 2016. He joined Cincinnati Bell in 2010 as President and General Manager of Cincinnati Bell Communications Group. Prior to joining Cincinnati Bell, Mr. Torbeck was Chief Executive Officer of the Freedom Group and also worked for 28 years for the General Electric Company ("GE"), where he served as the Vice President of Operations for GE Industrial Business, President and CEO of GE's Rail Services business and Vice President of Global Supply Chain for GE Aviation. Director since January 2013. Age 60. Mr. Torbeck brings to the Board critical knowledge and understanding of the products and services offered by the Company and a strong understanding of the telecommunications industry. Mr. Torbeck's prior business and management experience also provides the Board with a valuable perspective on managing a successful business.

Stock Ownership

Ownership of Equity Securities of the Company

Directors and Executive Officers

The following table sets forth the beneficial ownership of common shares and 6 $^{3}/_{4}$% Cumulative Convertible Preferred Shares as of March 6, 2017 (except as otherwise noted) by (i) each current director and each executive officer named in the Summary Compensation Table on page 33, and (ii) all directors and executive officers of the Company as a group.

Unless otherwise indicated, the address of each named director and executive officer is c/o Cincinnati Bell Inc. at the Company's address.

Name and Address of Beneficial Owner	Common Shares Beneficially Owned as of March 6, 2017 (a)	Percent of Common Shares (b)	6 3/4% Convertible Preferred Shares Beneficially Owned as of March 6, 2017 (c)	Percent of 6 3/4% Cumulative Convertible Preferred Shares (c)
Phillip R. Cox	13,748	*	—	*
Joshua T. Duckworth	8,940	*	—	*
John W. Eck	9,376	*	—	*
Leigh R. Fox	56,601	*	—	*
Jakki L. Haussler	29,185	*	—	*
Andrew R. Kaiser	5,890	*	—	*
Craig F. Maier	29,144	*	—	*
Russel P. Mayer	13,765	*	—	*
Thomas E. Simpson	11,227	*	—	*
Theodore H. Torbeck	273,595	*	—	*
Lynn A. Wentworth	28,553	*	—	*
Christopher J. Wilson	46,495	*	—	*
Martin J. Yudkovitz	8,148	*	—	*
John M. Zrno (d)	37,418	*	—	*
All directors and executive officers as a group (consisting of the 13 persons named above)	572,085	1.4%	—	*

* indicates ownership of less than 1% of issued and outstanding shares.

(a) Includes common shares subject to outstanding options under the Cincinnati Bell Inc. 2007 Long Term Incentive Plan, the 2007 Directors Plan and the Cincinnati Bell Inc. 1997 Stock Option Plan for Non-Employee Directors that are exercisable as of March 6, 2017. The following options are included in the totals: 1,800 common shares for Mr. Cox; 360 common shares for Mr. Duckworth; 300 common shares for Mr. Fox; 1,001 common shares for Mr. Kaiser; 23,877 common shares for Mr. Torbeck; 19,102 common shares for Mr. Wilson; and 1,800 common shares for Mr. Zrno.

(b) These percentages are based upon 42,131,334 common shares outstanding as of March 6, 2017, the Record Date.

(c) These numbers represent 6 $^{3}/_{4}$% Cumulative Convertible Preferred Shares. In the aggregate, the 155,250 issued and outstanding 6 $^{3}/_{4}$% Cumulative Convertible Preferred Shares are represented by 3,105,000 depositary shares, and each 6 $^{3}/_{4}$% Cumulative Convertible Preferred Share is represented by 20 depositary shares.

(d) Amount includes 5,000 common shares held by the Zrno Family Limited Partnership.

Principal Shareholders

The following table sets forth the beneficial ownership of common shares as of December 31, 2016 (except as otherwise noted) by each beneficial owner of more than five percent (5%) of the common shares outstanding known by the Company. No beneficial owner owns more than five percent (5%) of the 6 $^{3}/_{4}$% Cumulative Preferred Shares.

Name and Address of Beneficial Owner	Common Shares Beneficially Owned		Percent of Common Shares
GAMCO Investors, Inc. and affiliates One Corporate Center Rye, NY 10580	5,185,234	(a)	12.37%
BlackRock, Inc. 55 East 52nd Street New York, NY 10055	5,809,178	(b)	13.80%
The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	5,693,502	(c)	13.54%
Pinnacle Associates, Ltd. 335 Madison Avenue, Suite 1100 New York, NY 10017	2,152,162	(d)	5.10%

* Indicates ownership of less than 1% of the issued and outstanding class of shares

(a) As reported on Schedule 13D/A filed on December 4, 2014 by GAMCO Investors, Inc., as of December 3, 2014, Gabelli Funds, LLC has sole voting and dispositive power for 2,169,370 common shares, GAMCO Asset Management Inc. has sole voting power for 2,645,583 common shares and sole dispositive power for 2,796,473 common shares, MJG Associates, Inc. has sole voting and dispositive power for 6,000 common shares, Mario J. Gabelli has sole voting and dispositive power for 1,400 common shares, Teton Advisors Inc. has sole voting and dispositive power for 150,001 common shares, Gabelli Securities, Inc. has sole voting and dispositive power for 60,310 common shares and GAMCO Investors Inc. has sole voting and dispositive power for 1,680 common shares. The amount of shares reported on Schedule 13D/A filed on December 4, 2014 by GAMCO Investors Inc. have been translated to reflect the 5 for 1 Reverse Stock Split.

(b) As reported on Schedule 13G/A filed on January 12, 2017 by BlackRock, Inc., as of December 31, 2016, BlackRock, Inc. has sole voting power for 5,709,013 common shares and sole dispositive power for 5,809,178 common shares.

(c) As reported on Schedule 13G/A filed on February 10, 2017 by The Vanguard Group, as of December 31, 2016, The Vanguard Group has sole voting power for 50,443 common shares, shared voting power for 8,487 common shares, sole dispositive power for 5,636,672 common shares and shared dispositive power for 56,830 common shares.

(d) As reported on Schedule 13G filed on February 10, 2017 by Pinnacle Associates, Ltd., as of December 31, 2016, Pinnacle Associates Ltd. has shared voting and dispositive power for 2,152,162 common shares.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company’s directors, executive officers and persons who own more than 10% of a registered class of the Company’s equity securities to file reports of ownership and changes in ownership with the SEC. Directors, executive officers and greater than 10% shareholders are required by regulations of the SEC to furnish the Company with copies of all Section 16(a) reports that they file. Such reports are filed on Forms 3, 4 and 5 under the Securities Exchange Act of 1934. Based solely on the Company’s review of the copies of such forms received by it, the Company believes that, during the period commencing January 1, 2016 and ending December 31, 2016, all such persons complied on a timely basis with the filing requirements of Section 16(a).

Executive Compensation

Compensation Discussion and Analysis

Named Executive Officers

The Company's 2016 named executive officers (“NEOs”) were:

Theodore H. Torbeck	Chief Executive Officer*
Andrew R. Kaiser	Chief Financial Officer**
Leigh R. Fox	President and Chief Operating Officer***
Thomas E. Simpson	Senior Vice President and Chief Technology Officer
Christopher J. Wilson	Vice President and General Counsel
Joshua T. Duckworth	Vice President, Investor Relations and Controller

*Mr. Torbeck served as President until September 1, 2016. Effective May 31, 2017 Mr. Torbeck will retire as Chief Executive Officer from the Company and will no longer be an employee of the Company.

**Mr. Kaiser was appointed as Chief Financial Officer on September 1, 2016.

***Mr. Fox served as the Chief Financial Officer until his appointment as President and Chief Operating Officer on September 1, 2016. Effective May 31, 2017 Mr. Fox will be President and Chief Executive Officer.

This Compensation Discussion and Analysis (the “CD&A”) discusses the elements of our executive compensation program and the reasons why the Compensation Committee selected those particular elements, the performance metrics and goals under certain of those elements, the compensation that the executives might earn, and how each element encourages the Company's achievement of its business objectives and strategy.

Executive Summary

Our goal is to link the executive compensation program to the Company's strategic plan and the long-term interests of its shareholders. The Company's long-term strategy is to become a leading technology company with state of the art fiber assets providing end-to-end communications services (high speed data, video and voice solutions) and IT systems and solutions. The Company's strategic goals are to:

- Continue to expand our local fiber network.
- Grow our IT services and hardware business.
- Monetize our remaining CyrusOne investment.

Consequently, the Company's executive compensation program ties a significant portion of an executive's realized annual compensation to the Company's achievement of financial and strategic goals. For 2016, the key financial measures utilized to assess annual performance are revenue and Adjusted EBITDA and the key financial measures utilized to assess long-term performance are strategic revenue, Adjusted EBITDA, and return on invested capital ("ROIC"). See pages 23 - 26 for a detailed discussion of the payments made under the annual and long-term incentive plans for 2016 performance. In addition, the Company will continue to adjust the final long-term performance payout using a total shareholder return ("TSR") factor based on the Company's TSR performance as compared to the Russell 2000 index.

For 2016, the Company achieved the following financial and operational objectives:

- Consolidated revenue increased $18 million compared to the prior year and revenue from strategic products was up 19 percent year-over-year.
- Adjusted EBITDA totaled $305 million, up $3 million compared to 2015.
- Continued the construction of its fiber network. Fioptics is available to 67% of Greater Cincinnati.
- Proceeds from the $625 million of 7% senior notes due 2024 were used to redeem 8 $^{3}/_{8}$% senior notes due 2020 and to repay a portion of the outstanding Corporate Credit Agreement Tranche B Term Loan.
- Sold 4.1 million common shares of CyrusOne for proceeds of $190 million. Subsequent to December 31, 2016, the Company liquidated our remaining 2.8 million common shares for proceeds of $141 million.

These achievements resulted in the NEOs being paid above target on their annual and long-term performance incentives.

We believe our 2016 results confirm that the Company's executive compensation program effectively focuses our key executive talent on achieving our strategic revenue, Adjusted EBITDA and ROIC goals over multiple years and aligns executive long-term incentive rewards with the interests of shareholders. The mix of base pay (the "fixed cost" of the program) and both annual and long-term incentive plans promote achievement of current-year goals and longer-term business strategies while driving appropriate business behavior without inducing executives to take undue business risks.

The following chart summarizes the key elements of our compensation program, which are discussed in more detail later in the CD&A.

Component	Purpose	Key Characteristics	2016 Key Actions
Base Salary	• Allows Company to attract and retain executives • Recognizes individual performance through merit increases • Recognizes individual work experience and level of responsibility	• Fixed annual cash compensation • Increases primarily driven by individual performance and by market positioning • Used to calculate other components of compensation	• Messrs. Fox and Kaiser received increases in September in conjunction with their promotions • Mr. Simpson received a merit increase in September to reflect his increased responsibilities and for retention purposes
Annual Incentives	• Motivate achievement of Company annual financial goals and strategic objectives • Motivate achievement of individual annual performance goals	• Performance-based annual cash incentive compensation • Annual incentive target set as a percentage of base salary	• The revenue and Adjusted EBITDA performance metrics, which affect 80% of incentive payout, were attained at approximately 86% and 104%, respectively, of target. Together with the individual performance portion, NEO total annual incentive payouts ranged from 103% to 120% of target • Mr. Duckworth received an increase in his incentive target in January
Non-qualified Stock Options and Stock Appreciation Rights (“SARs”)	• Align executive interests with shareholder interests • Motivate achievement of Company long-term financial goals and strategic objectives • Facilitate executive equity ownership thereby further aligning executive and shareholder interests	• Performance-based long-term equity incentive compensation • Vest over three-year period based on continued service and the achievement of performance goals • Does not have value unless stock price increases following date of grant	• No stock options or stock appreciation rights were granted to any NEO in 2016
Performance-Based and Time-Based Restricted Stock and Unit Awards	• Motivate achievement of Company long-term financial goals and strategic objectives	• Performance-based stock and unit awards provide performance-based long-term equity incentive compensation (with vesting based on both continued service and	• 2016 grants consist of restricted stock units (25%) and performance-based stock units (75%) • 2016 results will be calculated for each performance period (2016, 2016-2017

• Facilitate executive equity ownership thereby further aligning executive and shareholder interests • Retain key executives	achievement of performance goals) • Granted annually with cumulative three-year performance cycles	and 2016-2018), with a single payment at the end of the 3-year performance period • In 2016, ROIC was added as a performance measure

The Company also provides certain retirement benefits and post-termination compensation to the NEOs, as described in more detail later in this CD&A.

Compensation Practices

The Company reviews and modifies its executive compensation program and practices regularly to address changes in the Company's short- and long-term business objectives and strategies, new regulatory standards and to implement evolving best practices. Listed below are compensation practices that the Company has adopted in support of its pay-for-performance philosophy:

- Performance-Based Compensation. The Company believes that a significant percentage of each NEO's total compensation should be performance-based or “at-risk.” Base salary was only 22% of the Chief Executive Officer's 2016 target compensation and 38% of the other NEOs' 2016 target compensation.
- Stock Ownership Guidelines. The Company believes that equity ownership creates alignment between executive and shareholder interests. In support of this objective, we maintain stock ownership guidelines under which our NEOs are expected to accumulate specified ownership stakes over time. See pages 29 - 30 for a more detailed discussion.
- Compensation Risk Assessment. The Company conducts annual compensation risk assessments to ensure that our policies and programs do not unintentionally encourage inappropriate behaviors or lead to excessive risk taking. We have concluded that our compensation plans, policies and practices do not encourage excessive or unnecessary risk-taking and are not reasonably likely to have a material adverse effect on the Company.
- Repricing Prohibition. We maintain prohibitions against the repricing of underwater stock options in the absence of shareholder approval. The definition of a repricing includes cash buyouts of underwater stock options and stock appreciation rights. This change applies to all grants, including existing grants.
- Double-Trigger Equity Vesting. Existing employment agreements with executives incorporate a “double-trigger” requirement for vesting equity grants in the event of a change in control (“CIC”). The Cincinnati Bell Inc. 2007 Long Term Incentive Plan (the "2007 Long Term Incentive Plan") and revised award agreements, beginning with the 2014 equity grants, provide that in the event of a CIC, an employee must be involuntarily terminated without cause by the Company during the 24-month period following a CIC for previously granted equity awards that are continued, assumed or substituted to vest. The proposed Cincinnati Bell Inc. 2017 Long-Term Incentive Plan contains comparable “double trigger” provisions.
- Executive Compensation Benchmarking. The Company (i) uses the general industry peer group as the primary source of market data for competitive assessments of executive pay, (ii) uses the telecommunications peer group as a secondary reference for assessing market pay and industry compensation practices, and (iii) each year reviews and modifies, if necessary, the telecommunications peer group to make certain that it is an appropriate peer group for comparisons to Cincinnati Bell. We target each pay component and total pay at the 50th percentile.
- Hedging and Pledging Policy. The Company's Insider Trading Policy expressly prohibits ownership of derivative financial instruments or participation in investment strategies that hedge the economic risk of owning the Company's common stock and prohibits officers and directors from pledging Company securities as collateral for loans.
- Clawback Policy. The Company has a clawback policy that allows it to recover incentive payments to or realized by executive officers in the event that the incentive compensation was based on the achievement of financial results that are subsequently restated to correct any accounting error due to material noncompliance with any financial reporting requirement under the federal securities laws, and such restatement results in a lower payment or award.
- Independent Compensation Committee. Each member of the Compensation Committee is independent as defined in the corporate governance listing standards of the New York Stock Exchange ("NYSE"), and the Company's director independence standards mirror those of the NYSE.
- Independent Compensation Consultant. The Compensation Committee utilizes the services of an outside independent compensation consultant to assist in its duties. The Compensation Committee's consultant performs no other services for the Company or its management.
- Elimination of Gross-Ups. The Compensation Committee has a policy in place that any new or materially amended employment agreement with any NEO will not contain any excise tax gross-up provisions with respect to payments contingent on a CIC. In addition, current employment agreements have been amended to remove excise tax gross-up provisions.

2016 Say-on-Pay Vote and Shareholder Outreach

In response to feedback from shareholders and the proxy advisory firms, the Compensation Committee implemented a number of changes to the 2007 Long Term Incentive Plan and to the terms of the awards granted under the Plan in 2014 and subsequent years. The Company believes that these changes were well received by its largest shareholders and are generally seen as a more balanced approach to aligning management compensation with shareholder return. In 2016, restricted stock units were included as part of the long-term awards to help retain key executive talent.

In 2016, approximately 69% of the shares voted with respect to the Company's say-on-pay proposal voted "for" approval of the Company's executive compensation. The Compensation Committee considered the concerns expressed by the proxy advisory firms in their 2016 reports on the Company’s say-on-pay proposal and contacted our top 25 shareholders. No additional information or meetings were requested as a result of our outreach efforts.

The Company will continue its annual outreach efforts, wherein one or more of the Chairman of the Board, the Chairman of the Compensation Committee, the Compensation Committee’s independent compensation consultant, and certain members of senior management will be available to meet directly with any of the Company’s major shareholders to obtain feedback on the Company’s strategic direction as well as its executive compensation program.

Compensation Program Objectives

The executive compensation program's primary objectives are:

- To attract and retain high-quality executives by offering competitive compensation packages;
- To motivate and reward executives for the attainment of financial and strategic goals, both short-term and long-term, thereby increasing the Company's value while at the same time discouraging unnecessary or excessive risk-taking; and
- To align the interests of the executives and the shareholders by attributing a significant portion of total executive compensation to the achievement of specific short-term and long-term performance goals set by the Compensation Committee.

Elements of Compensation

Base Salary

Base salaries are provided to the Company's NEOs for performing their day-to-day responsibilities. The base salaries of our NEOs are based on a review of the competitive market median for comparable executive positions, assessment by the Chief Executive Officer (or in the case of the Chief Executive Officer's base salary, by the Compensation Committee and entire Board) of the executive's performance as compared to his or her individual job responsibilities, the salary level required to attract and retain the executive and such other factors as the Chief Executive Officer or the Compensation Committee deems relevant for such executive. Generally, no one factor is given more weight than another, nor does the Company and the Compensation Committee use a formulaic approach in setting executive pay. Additionally, while the Company looks at 50th percentile total compensation, it also considers the executive’s individual performance as well in determining salary adjustments.

Messrs. Fox and Kaiser received increases in their base salary and annual incentive targets effective September 1, 2016 in conjunction with their promotions. Mr. Simpson received increases in his base salary and annual incentive target effective September 1, 2016 in recognition of his performance, his expanded responsibilities and as part of a retention effort. Mr. Duckworth received an increase in his annual incentive target effective January 1, 2016 in conjunction with the annual review process.

Annual Incentives

Annual incentives are intended to motivate and reward senior executives for achieving the short-term business objectives of the Company. Annual incentives are payable for the achievement of annual financial performance goals established by the Compensation Committee and for individual performance. For the NEOs, financial performance goals represent 80% of the annual incentive determination and individual performance evaluation represents 20%. Payouts, if any, can range from 0% to 150% of the total target annual incentive, depending on the level of achievement of financial goals between threshold and superior levels of performance and evaluations of individual performance and contributions for the year. The Board and Compensation Committee approve financial goals annually which reflect their belief that achievement of these goals drives the Company's strategic success.

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The Company used the following goals having the indicated weights in 2016:

- 60% on Adjusted EBITDA;
- 20% on revenue; and
- 20% on individual performance.

The Company has selected Adjusted EBITDA and revenue as its performance measures. Investors have identified these metrics as key indicators of current financial performance and the Company's ability to execute on its strategy of creating a technology company with state of the art fiber assets servicing customers with data, video, voice and IT solutions to meet their evolving needs. Adjusted EBITDA is given a significantly higher weighting than revenue and individual performance because it is a key measure of profitability of the Company that eliminates the effects of accounting and financing decisions. In addition, investors view it as an effective barometer of how well a company can service its debt.

The Board and Compensation Committee review and approve the annual incentive attainment percentages for both Adjusted EBITDA and revenue. In conjunction with such review, they may adjust the actual result or goal amount to reflect a change in business strategy, reallocation of Company resources or an unanticipated event.

The Adjusted EBITDA and revenue goals are assessed independently of each other and are scaled above and below their respective targets. The scale for 2016 targets is set forth below:

Percentage of Criterion Achieved	Adjusted EBITDA Goal: Percentage of Target Incentive Goal	Adjusted EBITDA Goal: Percentage of Total Annual Incentive Paid	Revenue Goal: Percentage of Target Incentive Goal	Revenue Goal: Percentage of Total Annual Incentive Paid
Below 95%	0%	0%	0%	0%
95%	50 %	30 %	50 %	10 %
100%	100 %	60 %	100 %	20 %
110%	125 %	75 %	125 %	25 %
120% or greater	150 %	90 %	150 %	30 %

The 2016 target annual incentives for each of the NEOs at year-end are set forth below:

Named Executive Officer	Target Annual Incentive as a Percentage of Base Salary
Theodore H. Torbeck	100%
Andrew R. Kaiser	65%
Leigh R. Fox	100%
Thomas E. Simpson	100%
Christopher J. Wilson	100%
Joshua T. Duckworth	60%

In 2016, for annual incentive purposes, the chart below sets out the Adjusted EBITDA and revenue target goals and actual results, which produced a weighted-average payout for the financial portion of approximately 99.5% of target:

Financial Objective	2016 Threshold Performance Level	2016 Adjusted Target	2016 Superior Performance Level	2016 Actual Results
Adjusted EBITDA	95%	$303 M	120%	$305 M
Revenue	95%	$1.20 B	120%	$1.19 B

The Chief Executive Officer provides the Compensation Committee with his assessment of each other executive officer's individual performance. The Chief Executive Officer reviews, for each executive officer, the performance of the executive's department, the quality of the executive's advice and counsel on matters within the executive's purview, qualitative peer feedback and the effectiveness of the executive's communication with the organization and with the Chief Executive Officer on matters of topical concern. These factors are evaluated subjectively and are not assigned specific individual weight. The Chief Executive Officer then recommends an award for the individual performance-based portion for each of the other NEO's annual incentive, which can range from 0% to 200% of the target award for such portion.

The Compensation Committee meets in executive session to consider the Chief Executive Officer's individual performance. The Compensation Committee evaluates the information obtained from the other directors concerning the Chief Executive Officer's individual performance, based on a discussion led by the Chairman of the Board. Factors considered include: operational and financial performance, succession planning, development of the Company leadership team, development of business opportunities and community involvement/relationships. The Compensation Committee has discretion in evaluating the Chief Executive Officer's performance and may recommend to the full Board a discretionary increase or decrease to the Chief Executive Officer's final annual incentive award as the Compensation Committee believes is warranted.

The table below shows the percentage of target annual incentive earned by each NEO for 2016 for each performance measure and in total as well as the actual award payment:

Named Executive Officer	Total Company Revenue	Total Company Adjusted EBITDA	Individual Performance	Total Annual Incentive Award	Total Annual Incentive Award Payment
Theodore H. Torbeck	86.2%	103.7%	200%	120%	$926,900
Andrew R. Kaiser (a)	86.2%	103.7%	120%	103%	$145,842
Leigh R. Fox (b)	86.2%	103.7%	200%	120%	$505,848
Thomas E. Simpson (b)	86.2%	103.7%	200%	120%	$385,148
Christopher J. Wilson	86.2%	103.7%	150%	110%	$387,546
Joshua T. Duckworth	86.2%	103.7%	175%	115%	$141,646

(a) Mr. Kaiser's award reflects the total amount he earned in 2016, which includes prorated targets and the resulting payments under the Management annual incentive plan from January 1, through August 31, 2016 and the NEO annual incentive plan from September 1 through December 31, 2016.

(b) Awards for Messrs. Fox and Simpson reflect the payout based on their prorated annual incentive targets in 2016.

Long-Term Incentives

The long-term incentives granted to NEOs in 2016 consist of performance stock units and restricted stock units. Long-term incentives are intended to encourage the Company's executives to focus on and achieve the long-term (three-year) business goals of the Company and to aid their development and retention through share ownership and recognition of future performance. An executive's realization of his or her long-term incentive means that the Company has also performed in accordance with its plan over a long-term period. The total annual long-term incentive opportunity for each NEO is established by the Compensation Committee or in the case of the CEO, by the Compensation Committee and the entire Board, in terms of dollars. In administering the long-term incentive program, the Compensation Committee considers competitive market data (as discussed on pages 27 - 28) and the recommendations of the Chief Executive Officer regarding each executive's performance and specific individual accomplishments. For each type of award, the number of performance shares/units and/or restricted stock units to grant is determined by dividing the approved award amount by the closing price of a share of common stock on the day the Board approves the financial results. The Compensation Committee's policy is not to grant more than 400,000 shares per year in connection with long-term incentive awards under the 2007 Long Term Incentive Plan. To the extent that the settlement of the long-term incentive awards in any year exceeds 400,000 shares, the excess portion of the incentives are settled in cash.

Stock Options/SARs

No stock options or SARs were granted to any NEO in 2016.

Performance-Based and Time-Based Restricted Stock and Unit Awards

Performance-based and time-based awards for 2016 were granted in the form of performance stock units and restricted stock units.

Restricted stock units will be paid in common shares at the end of a three-year vesting period.

Like the 2014 and 2015 awards, the performance stock units granted in 2016 are structured to be paid in common shares, cash equal to the fair market value of common shares, or a combination thereof, at the end of a three-year performance period and are based on the achievement of specific Company quantitative goals over such three-year performance period. Such awards were granted during the first quarter of each calendar year following finalization and approval by the entire Board of the financial goal(s) for the next three-year performance period. For the 2014 and 2015 awards, performance goal attainment will be based on the achievement of the specific Company quantitative goals for the three-year performance period as approved by the entire Board. For the 2016 awards, performance goal attainment will be based on the achievement of the specific Company quantitative goals on a cumulative basis for each of the performance periods (2016, 2016-2017 and 2016-2018) as approved by the entire Board, with a single payout at the end of the three-year performance period.

For the 2014 three-year performance cycle ending December 31, 2016 and the 2015 three-year performance cycle ending December 31, 2017, Adjusted EBITDA, strategic revenue and unlevered cash return on assets are equally weighted. For Adjusted EBITDA and strategic revenue, achievement must be at least 95% of the target goal in order to generate a threshold level payout equal to 50% of the target award for each executive. For unlevered cash return on assets for the 2014-2016 and 2015-2017 performance cycles, achievement must be at least 16.0% in order to generate a threshold level payout equal to 75% of the target award for each executive. The final payout calculation for the 2014-2016 and 2015-2017 performance cycles is subject to a +/- 15% adjustment based on the Company’s TSR over the three-year performance period compared to the Russell 2000 Index. Achievement less than the 35th percentile of the Russell 2000 Index will result in a 15% reduction while achievement greater than the 65th percentile will result in a 15% increase. For TSR results greater than the 35th percentile and less than the 65th percentile of the Russell 2000 index, the +/- 15% adjustment will be determined based on interpolation.

The threshold, target and superior performance levels are the same for each of the NEOs. Adjusted EBITDA, strategic revenue and unlevered cash return on assets (profitability) target goals for the 2014-2016 three-year performance period are shown in the table below:

2014-2016 Performance Cycle	Threshold Performance Level	Target	Superior Performance Level	Actual Results	Percentage of Target (a)
Adjusted EBITDA	95.0%	100.0%	120.0%	99.8%	98.1%
Strategic Revenue	95.0%	100.0%	120.0%	105.9%	114.8%
Profitability	85.0%	100.0%	110.0%	96.9%	94.6%

(a) The maximum payout for the full 3-year performance cycle is 150%.

For each of the 2016 performance periods (2016, 2016-2017 and 2016-2018) within the 3-year performance cycle ending December 31, 2018, Adjusted EBITDA, strategic revenue and ROIC are equally weighted. For Adjusted EBITDA and strategic revenue, achievement must be at least 95% of the target goal in order to generate a threshold level payout equal to 50% of the target award for each executive. For ROIC, achievement must be at least 77.0% in order to generate a threshold level payout equal to 75% of the target award for each executive. The final payout calculation for the 2016-2018 performance period is subject to a +/- 15% adjustment based on the Company’s TSR over the three-year performance period compared to the Russell 2000 Index. Achievement less than the 35th percentile of the Russell 2000 Index will result in a 15% reduction while achievement greater than the 65th percentile will result in a 15% increase. For TSR results greater than the 35th percentile and less than the 65th percentile of the Russell 2000 index, the +/- 15% adjustment will be determined based on interpolation.

Benefits

NEOs hired prior to January 1, 2009 participate in the Cincinnati Bell Management Pension Plan (the "Management Pension Plan") as all other eligible salaried and certain non-union hourly employees. The Management Pension Plan is a qualified defined benefit plan with a nonqualified provision that applies to the extent that eligible earnings or benefits exceed the applicable Internal Revenue Code limits for qualified plans. The Company makes all required contributions to this plan. However, as described on page 33, the Management Pension Plan is now frozen and no further credits, other than interest, are made to the plan. The executives, along with all other salaried employees, also participate in a 401(k) savings plan, which includes a Company matching contribution feature that vests 100% of such matching contributions in the employee's account as they are made to the plan.

The value of the Company's retirement program is not considered in any of the compensation decisions made with respect to other elements of NEO compensation, because the Company believes that the alignment of the interests of executives and shareholders is most effectively accomplished through its short- and long-term incentive compensation programs.

Compensation Determination Process

Role of the Compensation Committee and Management in Recommending Compensation

As described in greater detail below, individual base salaries, annual cash incentive awards and long-term incentive grant amounts are determined within the framework of the executive's position and responsibility, individual performance and future leadership potential, as determined by the Chief Executive Officer in consultation with the Compensation Committee, or by the Compensation Committee and the entire Board in the case of the Chief Executive Officer, as well as with regard to the external marketplace.

The Chief Executive Officer presents compensation recommendations for the senior executives, including the other NEOs, to the Compensation Committee for its review and approval. The Compensation Committee evaluates the performance of the Chief Executive Officer, determines his compensation, and discusses its recommendation with the entire Board in executive session before the entire Board grants its approval.

Determination of the Target Compensation Levels

In determining pay levels, the Company established a philosophy to target each component - base salary, target annual incentive and target long-term incentive - at the market 50th percentile appropriate to the revenue size of the Company. In implementing this philosophy, the Compensation Committee considers and evaluates the following information:

•An annual study of market compensation practices conducted by Willis Towers Watson, the Company's compensation consultant, at the Company's request, whereby it obtains, compiles and supplies to the Company and the Compensation Committee competitive compensation information concerning the companies in each of the two peer groups described below.

Pay practices for executive officers of a peer group consisting of 142 companies across various industries with annual revenue between $1 billion and $3 billion (the "General Industry Peer Group"). The list of these companies is set forth in Schedule 1 attached to this proxy statement. These companies were chosen because they have annual revenue that is closely aligned with the Company's revenue size, and they provide the Company and the Compensation Committee with insight into general industry executive compensation practices. Since executive compensation correlates to a company's annual revenue (i.e., the higher a company's revenue, generally the higher the executive's market compensation), to neutralize this effect, the Company, in consultation with Willis Towers Watson, uses a statistical technique called "regression analysis[1]." The Compensation Committee approved the use of the General Industry Peer Group information as the primary source for market competitive assessments of NEO pay levels for the following reasons:

[1] Linear regression analysis is a statistical tool for determining the relationship between a dependent variable (in this case, target compensation levels) and an independent variable (in this case, revenue). The technique correlates median predicted pay for companies by taking into consideration their revenues (i.e., smaller revenue companies would have pay predicted based on their revenues rather than by a simple median of pay for all companies in the General Industry Peer Group). For each executive position whose compensation is assessed and set by the Compensation Committee (or the full Board, in the case of the Chief Executive Officer), Willis Towers Watson produces a predicted level for each pay component at the 50th percentile of companies based on Cincinnati Bell's revenues. The use of regression analysis

allows the Compensation Committee to compare each executive's pay, both by pay component and in total, to the market 50th percentile of similar revenue-sized companies

The ever-changing landscape of the telecommunications industry and the difficulty in assessing year-over-year changes in executive compensation within these companies due to mergers, acquisitions, etc.;

The lack of a sufficient number of suitable telecommunications companies within the Willis Towers Watson database to secure adequate pay survey data, resulting in the need to use proxy data for some telecommunications companies; and

The absence of pay data in the proxies for certain NEO positions.

Pay practices for executive officers of a peer group consisting of 19 telecommunications companies (the "Telecommunications Peer Group"). Because of the reasons noted above, the Compensation Committee uses the information about the Telecommunications Peer Group as a secondary source for monitoring compensation trends to provide reasonable assurance that using the General Industry Peer Group data for comparative analysis does not cause an aberration of the Company's executive compensation at the 50th percentile.

The Compensation Committee annually reviews the list of companies in each peer group to make certain the list is appropriate, and, after review, the Compensation Committee approved the Telecommunications Peer Group. The Telecommunications Peer Group used in 2016 is shown in Schedule 2. For 2016, the Telecommunications Peer Group added Shenandoah Telecommunications Co. and Zayo Group Holdings, Inc. and dropped TW Telecom Inc. which was acquired by Level 3 Communications, Inc.

•To provide additional context for the Compensation Committee in making its decisions, the Compensation Committee reviews "tally sheets" prepared for each of the executives. Tally sheets provide the Compensation Committee with detailed information, as of a given date, about each executive's current compensation (including the value of any applicable benefit programs) and wealth accumulation, including the value of accrued and vested pay, such as shares of Company stock, vested stock options and other equity awards owned by the executive, the value of any retirement benefits provided by the Company and any pay and benefits triggered under a variety of employment termination scenarios.

•Input from the Compensation Committee's independent compensation consultant, Mr. Charles J. Mazza.

•Input from Company management (primarily the Chief Executive Officer and the Chief Financial Officer) and the Company's independent compensation consultant, Willis Towers Watson.

•Each NEO's individual performance and current/future potential with the Company.

The Compensation Committee considers, as one of the many factors, each component of executive officer compensation compared to the revenue size-adjusted market 50th percentile for two reasons:

•Benchmarking target compensation at the 50th percentile is consistent with the practice followed by a majority of companies and is considered "best practice," and

•Above-median compensation should be on a delivered actual basis, rather than a target basis, for overachievement of target performance goals consistent with the Company's pay-for-performance philosophy.

In determining the appropriate compensation levels in a particular year, the Company evaluates the following from both peer groups' data:

•Base salary;

•Total target cash compensation - the sum of base salary plus target annual incentive bonus opportunity; and

•Total target direct compensation - the sum of base salary plus target annual incentive bonus opportunity plus target long-term incentive opportunity.

The Compensation Committee compares each NEO's pay, both by pay component and in total, to the market 50th percentile of similar revenue-sized companies set forth in the peer groups. The Company does not review pay levels at individual companies or the specific structure of other companies' short- or long-term incentive plans. Instead, the Compensation Committee considers the predicted pay levels in both peer groups as an indication of market pay practice relating to each pay component and the relevant mixture among pay components. Thus, the Compensation Committee is able to validate that each NEO's compensation package is market competitive and that an appropriate portion of it is "at risk;" that is, subject to payment only if the Company attains certain quantitative results and the individual achieves certain qualitative results.

For 2016, the charts below reflect that each executive has a significant percentage of compensation "at risk" as it reflects the allocation of total target direct compensation among base salary, annual incentive bonus and long-term incentive compensation.

Based on market practices, combined with the Compensation Committee members' collective experience, the Compensation Committee believes that the foregoing allocation of pay among base salary and short- and long-term incentive compensation provides appropriate motivation to achieve objectives set for the current year while also providing a significant incentive that requires the executives to make decisions that are intended to sustain attainment of business objectives over the longer term.

Role of Compensation Consultants

Both the Compensation Committee and the Company have engaged a consultant to advise on compensation-related matters. Neither the Compensation Committee nor the Company has identified any conflicts of interest with respect to their respective compensation consultant that would impair the advice provided by such compensation consultant.

The Compensation Committee retains Mr. Charles J. Mazza, an independent compensation consultant, who performs no other services for the Company or its management, to assist in its deliberations regarding executive compensation. Pursuant to the Committee's instructions, Mr. Mazza analyzes and comments on various compensation proposals made by the Company and on various topics specified by the Committee and opines and reports on these matters in open sessions of Compensation Committee meetings. In executive sessions of the Compensation Committee meetings, Mr. Mazza addresses subjects of particular interest to the Compensation Committee, such as compensation of the Chief Executive Officer, and presents his analysis of such subjects including the pros and cons of certain compensation elements and his recommendations. Pursuant to the Compensation Committee Chair's request, Mr. Mazza contacts each member of the Compensation Committee annually as part of the Compensation Committee's self-evaluation and reports his conclusions to the Compensation Committee.

The Company retains Willis Towers Watson to assist with various compensation-related projects during the course of the year. Typically, the Company has a discussion with Willis Towers Watson about a project, outlining the project's objectives, and discusses Willis Towers Watson's approach to the project before requesting them to complete the project. The projects range from requests for general compensation data or information to requests for specific guidance and recommendations, such as designing specific incentive plans.

Other Compensation Policies

Stock Ownership Guidelines

The Compensation Committee recognizes that executive stock ownership is an important means of aligning the interests of the Company's executives with those of its shareholders. Stock ownership guidelines for the NEOs are as follows:

- Chief Executive Officer - 5 times base salary (as adjusted each year)
- Other NEOs - 2 times base salary (as adjusted each year)

The Compensation Committee established May 2019 as the target date for the NEOs to reach the new guidelines. To the extent possible, future long-term incentive awards will be made in shares based on share availability to assist the executives in meeting the guidelines. Aside from the Company's actual performance from one year to the next, the price of the Company's stock may vary due to the general condition of the economy and the stock market. Therefore, the Compensation Committee may measure an executive's progress more on the basis of the year-over-year increase in the number of shares owned rather than the overall market value of the shares owned in relation to the executive's ownership goal. For purposes of measuring ownership, only shares owned outright or beneficially by the executive (including shares owned by the executive's spouse or dependent children and shares owned through the Company's savings plan) are included. Shares represented by unvested stock options or any other form of equity for which a performance or vesting condition remains to be completed before the executive earns a right to and receives the shares (except for shares that have been electively deferred to a future date) are not counted in determining the executive's level of ownership.

As of March 6, 2017, Mr. Torbeck owned shares valued at approximately 121% of his ownership target; Mr. Kaiser has achieved approximately 15% of his ownership goal; Mr. Fox has achieved approximately 82% of his ownership goal; Mr. Simpson has achieved approximately 24% of his ownership goal; Mr. Wilson has achieved approximately 70% of his ownership goal; and Mr. Duckworth has achieved approximately 37% of his ownership goal.

Prohibition on Hedging and Pledging

The Company's Insider Trading Policy expressly prohibits ownership of derivative financial instruments or participation in investment strategies that hedge the economic risk of owning the Company's common stock and prohibits officers and directors from pledging Company securities as collateral for loans.

Employment Agreements, Severance and Change in Control Payments and Benefits

The Company generally enters into employment agreements with the NEOs for several reasons. Employment agreements give the Company flexibility to make changes in key executive positions with or without a showing of cause, if terminating the executive is determined by the Company or the Board to be in the best interests of the Company. The agreements also minimize the potential for litigation by establishing separation terms in advance and requiring that any dispute be resolved through an arbitration process. The severance, CIC payments and benefits provided under the employment agreements as described in more detail beginning on page 36 are important to ensure the retention of the NEOs.

Depending on the circumstances of their termination, the NEOs are eligible to receive severance benefits in the form of a multiple of annual base salary as a lump sum payment, continued access to certain Company-provided benefits for a defined period post-employment, healthcare benefits and accelerated vesting of all equity as determined by the provisions in their employment agreements, which are discussed in detail starting on page 41. Under a dismissal without cause or constructive discharge following a CIC, the Company provides the severance benefits because it serves the best interest of the Company and its shareholders to have executives focus on the business merits of possible change in control situations without undue concern for their personal financial outcome. In the case of a without cause termination or constructive discharge absent a CIC, the Company believes it is appropriate to provide severance at these levels to ensure the financial security of these executives, particularly in view of the non-compete provisions which state that, for 12 months (24 months in the case of the Chief Executive Officer) following termination, the executive will not compete with the Company or solicit customers or employees of the Company. Because these potential payments are triggered under very specific circumstances, such payments are not considered in setting pay or other elements of executive compensation. The Compensation Committee has a policy that the Company will not enter into any new or materially amended employment agreements with NEOs providing for excise tax gross-up provisions with respect to payments contingent upon a CIC, and no NEO has an excise tax gross-up provision.

Adjustments and Recovery of Award Payments and Clawback Policy

The Company is subject to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002. Therefore, if the Company was required to restate its financial results due to any material noncompliance of the Company, as a result of misconduct, with any financial reporting requirement under the securities laws, the Securities and Exchange

Commission could act to recover from the Chief Executive Officer and Chief Financial Officer any bonus or other incentive-based or equity-based compensation received during the 12-month period following the date the applicable financial statements were issued and any profits from any sale of securities of the Company during that 12-month period.

In addition, the Board has adopted an interim executive compensation recoupment/clawback policy with the intention that the policy will be modified when final regulations required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") are adopted by the SEC. The policy allows the Company to recover incentive payments to, or realized by, certain executive officers in the event that the incentive compensation was based on the achievement of financial results that were subsequently restated to correct any accounting error due to material noncompliance with any financial reporting requirement under federal securities laws and such restatement results in a lower payment or award.

Compensation Limitation

Section 162(m) of the Code generally limits to $1,000,000 the available deduction to the Company for compensation paid to any of the Company's NEOs, excluding the Chief Financial Officer, except for performance-based compensation that meets certain requirements. Although the Compensation Committee considers the anticipated tax treatment to the Company of its compensation payments, the Compensation Committee has determined that it will not necessarily limit executive compensation to amounts deductible under Section 162(m) of the Code.

Any general statement that incorporates this proxy statement into any filing under the Securities Act of 1933 or under the Securities Exchange Act of 1934 shall not be deemed to incorporate by reference this Compensation Committee Report on Executive Compensation and related disclosure. Except to the extent the Company specifically incorporates such Report and related disclosure by reference, this information shall not otherwise be deemed to have been filed under such Acts.

Compensation Committee Report

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis included in the proxy statement with management. Based on our review and discussions with management, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement and incorporated by reference in Cincinnati Bell Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

COMPENSATION COMMITTEE
Craig F. Maier, Chairman
Phillip R. Cox
John W. Eck
Lynn A. Wentworth
Martin J. Yudkovitz

Compensation Tables

Summary Compensation Table

The following table sets forth information concerning the compensation of any person who served as the principal executive officer (Theodore H. Torbeck) or principal financial officer (Leigh R. Fox and Andrew R. Kaiser) during the year ended December 31, 2016, and the three most highly compensated persons who served as executive officers (Thomas E. Simpson, Christopher J. Wilson and Joshua T. Duckworth) at the end of the year ended December 31, 2016 (collectively, the "NEOs").

Summary Compensation Table — Fiscal 2016

Name, Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (a)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($) (b)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings ($) (c)	All Other Compensation ($) (d)	Total ($)
Theodore H. Torbeck	2016	775,913	—	1,995,000	—	926,900	—	10,302	3,708,115
Chief Executive Officer	2015	775,000	—	1,750,000	—	951,080	—	9,805	3,485,885
	2014	750,000	—	1,650,000	—	928,800	—	10,200	3,339,000
Andrew R. Kaiser (e)	2016	249,510	—	—	—	145,842	—	6,115	401,467
Chief Financial Officer									
Leigh R. Fox (f)	2016	422,950	—	500,000	—	505,848	(5,949)	10,600	1,433,449
Chief Operating Officer	2015	385,000	—	375,000	—	472,472	(8,413)	10,400	1,234,459
	2014	350,000	—	350,000	—	497,031	29,072	10,200	1,236,303
Thomas E. Simpson (g)	2016	397,384	—	250,000	—	589,156	(5,063)	10,600	1,242,077
Chief Technology Officer	2015	370,000	—	200,000	—	248,835	(7,038)	468	812,265
	2014	241,778	—	—	—	145,051	26,870	7,139	420,838
Christopher J. Wilson	2016	354,804	—	390,000	—	822,746	(14,151)	10,600	1,563,999
Vice President and General	2015	353,600	—	320,000	—	398,578	(22,106)	10,400	1,060,472
Counsel	2014	353,600	—	—	—	252,456	95,689	10,200	711,945
Joshua T. Duckworth	2016	206,402	—	125,000	—	141,646	—	10,555	483,603
Vice President, Investor	2015	206,000	—	100,000	—	121,252	—	8,165	435,417
Relations and Controller	2014	200,000	—	75,000	—	109,840	—	9,636	394,476

(a) The 2016 amounts reflect the grant-date fair value of the restricted stock units (25% of award) and the performance stock units (75% of award) issued in 2016 to Messrs. Torbeck, Fox, Simpson, Wilson and Duckworth for the 2016-2018 performance cycle. The 2015 amounts reflect the grant-date fair value of the performance stock units issued in 2015 to Messrs. Torbeck, Fox, Simpson, Wilson and Duckworth for the 2015-2017 performance cycle. The 2014 amounts reflect the grant-date fair value of the performance stock units issued in 2014 to Messrs. Torbeck, Fox and Duckworth for the 2014-2016 performance cycle. All amounts assume payout at target. For further discussion of these awards, see Note 12 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016. The table below shows the amounts if the maximum payout is earned based on the stock price at date of grant.

Name	Stock Awards ($) 2016	2015	2014
Theodore H. Torbeck	2,743,125	2,625,000	2,475,000
Andrew R. Kaiser	—	—	—
Leigh R. Fox	687,500	562,500	525,000
Thomas E. Simpson	343,750	300,000	—

Christopher J. Wilson	536,250	480,000	—
Joshua T. Duckworth	171,875	150,000	112,500

(b) Non-equity incentive plan compensation represents amounts earned for annual performance-based cash incentives and long-term incentive performance plan cash-settled awards. The table below shows the amounts earned for each of these awards:

Name	Year	Annual Performance-Based Cash Incentive ($)	Long-Term Cash-Settled Performance Units ($) (1)	Total ($)
Theodore H. Torbeck	2016	926,900	—	926,900
	2015	951,080	—	951,080
	2014	928,800	—	928,800
Andrew R. Kaiser	2016	145,842	—	145,842
Leigh R. Fox	2016	505,848	—	505,848
	2015	472,472	—	472,472
	2014	419,440	77,591	497,031
Thomas E. Simpson	2016	385,148	204,008	589,156
	2015	248,835	—	248,835
	2014	145,051	—	145,051
Christopher J. Wilson	2016	387,546	435,218	822,764
	2015	398,578	—	398,578
	2014	252,456	—	252,456
Joshua T. Duckworth	2016	141,646	—	141,646
	2015	121,252	—	121,252
	2014	109,840	—	109,840

(1) The amounts shown above for long-term cash-settled performance units earned by Mr. Fox represent the amounts earned in 2014 and paid in 2015 for the 2012-2014 performance cycle related to cash-payment performance awards granted in January 2012. The amounts shown above for long-term cash-settled performance units earned by Messrs. Simpson and Wilson represent the amounts earned in 2016 and paid in 2017 for the 2014-2016 performance cycle related to cash-payment performance awards granted in January 2014.

(c) The amounts shown in this column for Messrs. Fox, Simpson and Wilson represent the one-year change in the value of their qualified defined benefit plan and nonqualified excess plan for 2016, 2015 and 2014, respectively, projected forward to age 65 for each executive with interest credited at 4.0%, and then discounted back to the respective year at the discount rate (4.0% for 2016, 3.8% for 2015 and 3.4% for 2014) required under Accounting Standards Codification Topic ("ASC") 960. The present value of the accrued pension benefits decreased in 2016 primarily due to an increase in the applicable discount rate. The Company froze participation in its qualified pension plan for management employees in 2009; therefore, Messrs. Torbeck, Kaiser and Duckworth are not entitled to any benefits under this plan. None of the executives receive any preferential treatment or above-market interest under the Company's retirement plans.

(d) For each NEO, the amount represents the Company's 401(k) match. Under the terms of the Cincinnati Bell Inc. Retirement Savings Plan, the Company's matching contribution is equal to 100% on the first 3% and 50% on the next 2% of contributions made to the plan by the participant. Eligible compensation generally includes base wages plus any annual incentive paid to eligible participants. For 2016, the maximum Company matching contribution is $10,600.

(e) Mr. Kaiser was appointed Chief Financial Officer on September 1, 2016.

(f) Mr. Fox was appointed President and Chief Operating Offer on September 1, 2016.

(g) Mr. Simpson was appointed Chief Technology Officer of Cincinnati Bell Telephone Company, LLC on July 31, 2014. Mr. Simpson was named Chief Technology Officer of the Company on January 27, 2015.

Grants of Plan-Based Awards

The following table sets forth information concerning equity grants to the NEOs during the year ended December 31, 2016 as well as estimated future payouts under cash incentive plans:

Grants of Plan-Based Awards in 2016 Fiscal Year

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards (a)			Estimated Future Payouts Under Equity Incentive Plan Awards (b)			All Other Stock Awards: Number of Shares of Stock or Units (#) (c)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Closing Price of Company Shares on Grant Date ($/Sh)	Grant Date Fair Value of Stock Based Awards ($) (d)
		Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)					
Theodore H. Torbeck												
Performance stock units	1/28/2016	—	—	—	48,422	96,845	145,267	—	—	—	$ 15.45	1,496,250
Restricted stock units	1/28/2016	—	—	—	—	—	—	32,281	—	—	$ 15.45	498,750
Annual cash incentive		387,500	775,000	1,162,500	—	—	—	—	—	—	—	—
Andrew R. Kaiser												
Annual cash incentive		70,529	141,058	211,587	—	—	—	—	—	—	—	—
Leigh R. Fox												
Performance stock units	1/28/2016	—	—	—	12,136	24,272	36,408	—	—	—	$ 15.45	375,000
Restricted stock units	1/28/2016	—	—	—	—	—	—	8,090	—	—	$ 15.45	125,000
Annual cash incentive		211,475	422,950	634,425	—	—	—	—	—	—	—	—
Thomas E. Simpson												
Performance stock units	1/28/2016	—	—	—	6,068	12,136	18,204	—	—	—	$ 15.45	187,500
Restricted stock units	1/28/2016	—	—	—	—	—	—	4,045	—	—	$ 15.45	62,500
Annual cash incentive		161,015	322,030	483,045	—	—	—	—	—	—	—	—
Christopher J. Wilson												
Performance stock units	1/28/2016	—	—	—	9,466	18,932	28,398	—	—	—	$ 15.45	292,500
Restricted stock units	1/28/2016	—	—	—	—	—	—	6,310	—	—	$ 15.45	97,500
		176,800	353,600	530,400	—	—	—	—	—	—	—	—

Annual cash incentive												
Joshua T. Duckworth												
Performance stock units	1/28/2016	—	—	—	3,034	6,068	9,102	—	—	—	$ 15.45	93,750
Restricted stock units	1/28/2016	—	—	—	—	—	—	2,022	—	—	$ 15.45	31,250
Annual cash incentive		61,800	123,600	184,500	—	—	—	—	—	—	—	—

(a) The annual cash incentive amounts for Messrs. Kaiser, Fox and Simpson reflect their prorated targets for 2016.

(b) Amounts reflect shares issuable under performance stock units awarded in 2016. Performance will be measured based on achievement of the defined targets over the three-year period 2016-2018. See pages 25 - 26 for further details. For further discussion of assumptions and valuation, refer to Note 12 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

(c) Restricted stock units were awarded in 2016 as part of the long-term incentive award. The restricted stock units vest on the 3rd anniversary of the grant date.

(d) This amount is equal to the dollar amount of the restricted stock units awarded in 2016 and the dollar value target number of performance stock units awarded in 2016 based on the Company's closing stock price on the date of grant of $15.45.

Discussion of Summary Compensation Table and Grants of Plan-Based Awards Table
Employment Agreements
During 2016, all of the NEOs were employed pursuant to agreements with the Company. Each employment agreement sets forth, among other things, the NEO's base salary, bonus opportunities, entitlement to participate in the Company's benefit and pension plans and to receive equity awards and post-termination benefits and obligations. Based on the agreements in place at December 31, 2016:
Mr. Torbeck's employment agreement provides for the employment and retention of Mr. Torbeck for a one-year term subject to automatic one-year extensions. Mr. Torbeck's agreement provides for both a minimum base salary of $750,000 and a minimum bonus target of $750,000 per year.
Mr. Kaiser’s employment agreement provides for the employment and retention of Mr. Kaiser for a one-year term subject to automatic one-year extensions. Mr. Kaiser’s employment agreement provides for both a minimum base salary of $300,000 and a minimum bonus target of $195,000 per year.
Mr. Fox's employment agreement provides for the employment and retention of Mr. Fox for a one-year term subject to automatic one-year extensions. Mr. Fox's employment agreement provides for both a minimum base salary of $500,000 and a minimum bonus target of $500,000 per year.
Mr. Simpson’s employment agreement provides for the employment and retention of Mr. Simpson for a one-year term subject to automatic one-year extensions. Mr. Simpson’s employment agreement provides for a minimum base salary of $450,000 and a minimum bonus target of $450,000 per year.
Mr. Wilson's employment agreement provides for the employment and retention of Mr. Wilson for a one-year term subject to automatic one-year extensions. Mr. Wilson's employment agreement provides for a minimum base salary of $353,600 per year and a minimum bonus target of $353,600 per year.
Mr. Duckworth's employment agreement provides for the employment and retention of Mr. Duckworth for a one-year term subject to automatic one-year extensions. Mr. Duckworth’s employment agreement provides for a minimum base salary of $206,000 and a minimum bonus target of $103,000 per year.
Each of the NEOs, except for Messrs. Torbeck, Kaiser and Duckworth, has accrued benefits in the Management Pension Plan, which contains both a qualified defined benefit plan and a nonqualified excess benefit provision (the provision for this excess benefit is contained in the qualified defined benefit pension plan document), which applies the same benefit formula to that portion of the base wages and annual bonus payment that exceeds the maximum compensation that can be used in determining benefits under a qualified defined benefit pension plan.
As described below, accruals under the Management Pension Plan are frozen. Except as noted below, prior to the freeze, all eligible salaried employees of the Company participated in the Management Pension Plan on the same basis with benefits being earned after a three-year cliff-vesting period. Covered compensation for purposes of calculating benefits include base wages including any applicable overtime wages paid plus annual bonus payments. Upon separation from employment, vested benefits are payable either as a lump-sum, a single life annuity or, for married participants, a 50% joint and survivor, which provides a reduced benefit for the employee in order to provide a benefit equal to 50% of that amount if the employee dies before his/her spouse. A 2009 amendment to the Management Pension Plan generally provided that only "grandfathered participants" and no other participants would accrue additional plan benefits based on their compensation and service after March 8, 2009. For purposes of the plan, a "grandfathered participant" is a Plan participant who has continuously been an employee of the Company or any of its subsidiaries since before 2009 and either: (i) was at least age 50 by January 1, 2009; or (ii) had been eligible for and accepted or declined a 2007 early retirement offer of the Company. Also, the plan was further amended to reduce the benefits accrued by grandfathered participants based on their compensation and service after December 31, 2011 by approximately one-half from the prior accrual rate. In addition, the Management Pension Plan was amended to stop accruals for grandfathered participants based on compensation paid after June 30, 2013 or services after the pay period ended June 29, 2013. The Management Pension Plan benefits for the NEO's are shown on pages 39 - 40.
After retirement or other termination of employment, a participant under the Management Pension Plan is entitled to elect to receive a benefit under the plan in the form of a lump sum payment or as an annuity, generally based on the balance credited to the participant's cash balance account under the plan when the benefit begins to be paid (but also subject to certain transition or special benefit formula rules in certain situations).

Each of the employment agreements also provide for severance payments upon termination of employment as a result of death or disability, termination by the Company without cause or termination upon a CIC. The payments to the NEOs upon termination or a CIC as of December 31, 2016 are described beginning on page 41.

Long-Term Incentives

In 2016, the NEOs long-term incentive grants for the 2016-2018 performance period were awarded as a combination of restricted stock units (25%) and performance units (75%). The Compensation Committee decision to use performance units (i) provides an opportunity for the NEO to be rewarded based on the Company achieving its more objective quantitative operating results that are consistent with its long-term business strategy and (ii) to more closely align such actions with shareholders' interests. The Compensation Committee added time-based restricted stock units as an incentive to encourage the retention of the NEOs. The long-term incentives granted to the NEOs are described in the Compensation Discussion and Analysis that begins on page 19.

Salary and Cash Incentive Awards in Proportion to Total Compensation

In 2016, the percentage of total compensation for each NEO represented by the sum of their salary plus bonus and non-equity incentive plan compensation as shown in the summary compensation table on page 33 was as follows: Mr. Torbeck - 46%, Mr. Kaiser - 98%, Mr. Fox - 65%, Mr. Simpson - 79%, Mr. Wilson - 75% and Mr. Duckworth - 72%.

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information concerning options and other equity awards held by the NEOs at December 31, 2016:

	Option Awards					Stock Awards			
Name	Number of Securities Underlying Unexercised Option (#) Exercisable	Number of Securities Underlying Unexercised Option (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date (a)	Number of Shares or Units of Stocks That Have Not Vested (#) (b)	Market Value of Shares or Units of Stocks That Have Not Vested ($) (b)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#) (c)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($) (d)
Theodore H. Torbeck	23,877	—	—	23.75	1/31/2023				
						32,281	721,480	—	—
						—	—	454,212	10,151,638
Andrew R. Kaiser	666	335	—	17.05	10/23/2024				
						—	—	9,708	216,974
Leigh R. Fox	300	—	—	14.55	1/29/2020				
						8,090	180,812	—	—
						—	—	102,308	2,286,573
Thomas E. Simpson	—	—	—	—	—				
						4,045	90,406	—	—
						—	—	37,619	840,773
Christopher J. Wilson	19,102	—	—	23.75	1/31/2023				
						6,310	141,029	—	—
						—	—	59,465	1,329,032
Joshua T. Duckworth	360	—	—	12.40	8/23/2020				
						2,022	45,192	—	—
						—	—	25,130	561,644

(a) All options granted are for a maximum period of ten years from the date of grant and vest over a three-year period.

(b) Amounts in the column include the restricted stock units granted on January 28, 2016 as part of the 2016-2018 long-term incentive award and vest three years from the date of grant. The value is based on the closing price of the Company's common shares as of December 30, 2016 ($22.35).

(c) Amounts in the column include the performance stock units granted for the 2014-2016 performance cycle, for the 2015-2017 performance cycle, and for the 2016-2018 performance cycle. All performance stock units are shown at the maximum level of payout.

(d) Assuming the maximum number of stock units is earned, amounts represent the equity incentive plan awards not yet vested. The value is based on the closing price of the Company's common shares as of December 30, 2016 ($22.35).

Option Exercises and Stock Vested

The following table sets forth information concerning the exercise of options and the vesting of stock held by the NEOs during the year ended December 31, 2016:

Option Exercises and Stock Vested in 2016

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise (#) (a)	Value Realized on Exercise ($) (a)	Number of Shares Acquired on Vesting (#) (b)	Value Realized on Vesting ($) (c)
Theodore H. Torbeck	—	—	16,214	268,280
Andrew R. Kaiser	—	—	—	—
Leigh R. Fox	—	—	7,094	109,602
Thomas E. Simpson	—	—	2,427	37,497
Christopher J. Wilson	—	—	4,354	67,269
Joshua T. Duckworth	—	—	1,517	23,438

(a) No NEOs exercised stock options or share-settled stock appreciation rights in 2016.

(b) The amount shown for Mr. Torbeck represents vesting of one-third of the restricted shares granted on January 2, 2013 and shares issued on January 28, 2016 upon vesting of long-term performance plan awards. The amounts shown for Messrs. Fox, Simpson, Wilson and Duckworth represent shares issued on January 28, 2016 upon vesting of long-term performance plan awards under the 2013-2015 performance period.

(c) The amounts represent the value realized upon vesting based on the closing price of a share of our common stock on the respective vesting dates. For Mr. Torbeck, the vesting date of his restricted share award was 10,772 shares on January 4, 2016 ($17.10). For Messrs. Torbeck, Fox, Simpson, Wilson and Duckworth, the vesting date of their long-term performance plan awards under the 2013-2015 performance period was January 28, 2016 ($15.45).

Pension Benefits

In February 2009, the Company made significant changes to the Management Pension Plan. The Company froze pension benefits for plan participants who were not grandfathered participants (as previously described on page 36). Thereafter, the Company amended the Management Pension Plan to stop accruals based upon compensation paid after June 30, 2013 or services after the pay period ended June 29, 2013 for all participants, including grandfathered participants. Messrs. Fox, Simpson, and Wilson are not grandfathered participants and no longer accrue additional benefits under such plan based on current compensation or service. In addition, any employee hired on or after January 1, 2009 was not eligible to participate in the Management Pension Plan. As a result, Messrs. Torbeck, Kaiser and Duckworth are not eligible to participate in the Management Pension Plan.

The following table sets forth information regarding pension benefits:

Name	Plan Name	Number of Years Credited Service (#) (a)	Present Value of Accumulated Benefit ($) (b)(c)	Payments During Last Fiscal Year ($)
Leigh R. Fox	Qualified Defined Benefit Plan (d)	9	91,648	—
	Non-Qualified Excess Plan (e)	—	—	—
	Total		91,648	
Thomas E. Simpson	Qualified Defined Benefit Plan (d)	8	80,530	—
	Non-Qualified Excess Plan (e)	—	—	—
	Total		80,530	
Christopher J. Wilson	Qualified Defined Benefit Plan (d)	10	283,096	—
	Non-Qualified Excess Plan (e)	10	120,160	—
	Total		403,256	

(a) This column reflects years of credited service under the plans rather than actual years of service with the Company, which are higher for each of the NEOs noted. Participants were no longer credited years of service upon the freezing of pension benefits.

(b) Amounts in this column represent the accumulated benefit obligations computed using the same assumptions as used for financial reporting purposes, described in more detail in Note 9 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2016.

(c) If any of the above-identified executive officers had retired on December 31, 2016, they would have been entitled to a benefit based on the balance then credited to them, without any reduction, under the Management Pension Plan (both the tax-qualified defined benefit plan portion and the non-qualified excess plan portion) as of that date. They may elect a lump-sum or equivalent annuity form of payment subject to any payment restrictions in place due to the funding status.

(d) Management Pension Plan.

(e) Nonqualified ERISA Excess Provisions of the Management Pension Plan.

A participant's account under the Management Pension Plan is also generally credited with assumed interest for each calendar year at a certain interest rate. Such interest rate for 2016 was 4.0% per annum.

Nonqualified Deferred Compensation

The following table sets forth information concerning compensation deferred by the NEOs:

Nonqualified Deferred Compensation for 2016 Fiscal Year

Name	Executive Contributions ($)	Company Contributions ($)	Aggregate Earnings ($) (a)	Aggregate Withdrawals/ Distributions ($) (b)	Aggregate Balance at December 31, 2016 ($)
Theodore H. Torbeck	—	—	—	—	—
Andrew R. Kaiser	—	—	—	—	—
Leigh R. Fox	—	—	—	—	—
Thomas E. Simpson	—	—	—	—	—
Christopher J. Wilson	—	—	3,060	464,940	—
Joshua T. Duckworth	—	—	—	—	—

(a) For Mr. Wilson, the amount shown includes the difference between the closing price of the Company's stock ($18.00) on December 31, 2015 and the closing price of the Company's stock on November 7, 2016 ($17.90) with respect to deferrals made prior to 2016.

(b) For Mr. Wilson, the amount shown includes the value of his account balance that was distributed on November 7, 2016 in conjunction with the termination of the Cincinnati Bell Inc. Executive Deferred Compensation Plan as approved by the Board on October 20, 2015.

Potential Payments upon Termination of Employment or a Change in Control

The following table shows potential payments to our NEOs directly and indirectly on their behalf under existing contracts, agreements, plans or arrangements, whether written or unwritten, for various scenarios involving a CIC or termination of employment, assuming a December 31, 2016 termination or CIC date and, where applicable, using the closing price of our common shares on December 30, 2016 of $22.35.

Potential Payments upon Termination of Employment or a Change in Control: 2016

Name	Executive Payment on Termination	Involuntary Not for Cause Termination ($)	Change in Control ($)	Death ($)	Disability ($)
Theodore H. Torbeck	Base Salary	1,550,000	2,317,250	—	—
	Annual Incentive Target Opportunity	—	2,317,250	926,900	926,900
	Long-Term Incentives — Performance-Based Units (a)	4,603,295	6,767,759	6,767,759	6,767,759
	Long-Term Incentives — Restricted Stock Units	—	721,480	222,500	222,500
	Basic Benefits (b)	23,369	23,369	—	23,369
	Total	6,176,664	12,147,108	7,917,159	7,940,528
Andrew R. Kaiser	Base Salary	600,000	750,000	—	—
	Annual Incentive Target Opportunity	—	487,500	145,842	145,842
	Long-Term Incentives — Performance-Based Units (a)	144,649	144,649	144,649	144,649
	Long Term Incentives - Options	1,776	1,776	1,776	1,776
	Basic Benefits	30,111	30,111	—	30,111
	Total	776,536	1,414,036	292,267	322,378
Leigh R. Fox	Base Salary	1,000,000			