

CINCINNATI BELL INC
Form 8-K
August 08, 2017

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
Date of Report: August 3, 2017

CINCINNATI BELL INC.
(Exact Name of Registrant as Specified in its Charter)

Ohio	001-8519	31-1056105
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)
221 East Fourth Street		
Cincinnati, OH 45202		
(Address of Principal Executive Office)		
Registrant's telephone number, including area code: (513) 397-9900		

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Securities Act. ☐

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) On August 3, 2017, the Board of Directors of Cincinnati Bell Inc. (the “Company”) approved a new employment agreement with Andrew R. Kaiser, its Chief Financial Officer (the “Kaiser Employment Agreement”), with an effective date of September 1, 2017 (the “Kaiser Effective Date”). Any prior agreements or understandings with respect to Mr. Kaiser's employment by the Company are cancelled as of the Kaiser Effective Date of the Kaiser Employment Agreement; however, except as otherwise provided in Section 13 of the Kaiser Employment Agreement, all stock options, restricted shares and other long-term incentive awards granted to Mr. Kaiser prior to the Kaiser Effective Date, benefit plans in which Mr. Kaiser is eligible for participation and any Company policies to which Mr. Kaiser is subject shall continue in effect in accordance with their respective terms and shall not be modified, amended or cancelled by the Kaiser Employment Agreement.

Except for the items set forth below, the Kaiser Employment Agreement is essentially identical to Mr. Kaiser's previous employment agreement, effective September 1, 2016:

✦ Mr. Kaiser's base salary in Section 4A is increased to \$400,000 per annum.

✦ Mr. Kaiser's annual bonus target in Section 4B is increased to \$400,000.

The description of the Kaiser Employment Agreement is qualified in its entirety by reference to the Kaiser Employment Agreement, a copy of which is attached to this Current Report on Form 8-K as Exhibit 10.1 and incorporated by reference herein.

Also on August 3, 2017, the Board of Directors of the Company approved the appointment of Christi H. Cornette (age 61) to the position of Chief Culture Officer of the Company. As Chief Culture Officer, Ms. Cornette will be responsible for the Company's corporate marketing, brand strategy, employee development, human resources, internal and external communication, community involvement, and events and sponsorships. Ms. Cornette joined Cincinnati Bell Technology Solutions in 2001 eventually serving as its Vice President of Marketing for five years. Since 2013, Ms. Cornette has served as the Senior Vice President of Marketing for the Company.

The Board of Directors of the Company approved a new employment agreement with Ms. Cornette (the “Cornette Employment Agreement”), with an effective date of September 1, 2017 (the “Cornette Effective Date”). Any prior agreements or understandings with respect to Ms. Cornette's employment by the Company are cancelled as of the Cornette Effective Date; however, except as otherwise provided in Section 13 of the Cornette Employment Agreement, all stock options, restricted shares and other long-term incentive awards granted to Ms. Cornette prior to the Cornette Effective Date, benefit plans in which Ms. Cornette is eligible for participation and any Company policies to which Ms. Cornette is subject shall continue in effect in accordance with their respective terms and shall not be modified, amended or cancelled by the Cornette Employment Agreement.

Term. Pursuant to the Cornette Employment Agreement, the term of Ms. Cornette's employment will begin on the Cornette Effective Date and end on the first anniversary of the Cornette Effective Date; provided, however, that on the first anniversary of the Cornette Effective Date and each subsequent anniversary of the Cornette Effective Date, the term of the Cornette Employment Agreement will automatically be extended for a period of one additional year, unless earlier terminated in accordance with the terms of the Cornette Employment Agreement.

Title. Pursuant to the Cornette Employment Agreement, Ms. Cornette will serve as the Chief Culture Officer of the Company.

Compensation and Benefits. Pursuant to the Cornette Employment Agreement, Ms. Cornette's initial annual base salary will be \$380,000 per year. In addition to her base salary, Ms. Cornette will also be eligible to receive an annual bonus for each calendar year in which services are performed under the Cornette Employment Agreement. Each year Ms. Cornette will be given a bonus target of not less than \$380,000, subject to proration for a partial year. Her bonus award will generally be subject to the terms and conditions of the Company's annual incentive plan.

In each year during the term of the Cornette Employment Agreement, Ms. Cornette will be eligible to be considered for grants of awards under any of the Company's long-term incentive compensation plans maintained by the Company for the benefit of certain employees.

Pursuant to the Cornette Employment Agreement, Ms. Cornette is eligible to participate in the various employee benefit plans and programs which are made available to similarly situated officers of the Company. Ms. Cornette will be reimbursed in accordance with the Company's then current travel and expense policies for all reasonable and necessary expenses incurred by her in the course of her performance of her duties under the Cornette Employment Agreement.

Termination Events.

Disability and Death. The employment of Ms. Cornette may be terminated by either the Company or Ms. Cornette upon her inability to perform the services required by the Cornette Employment Agreement because of any physical or mental infirmity over a period of 120 consecutive working days during any 12 consecutive month period for which she receives disability benefits under any disability plans generally made available to employees. Upon such a termination event, the Company will pay Ms. Cornette her compensation (base salary, bonus or otherwise) to the date of such termination and will provide her with disability benefits and all other benefits in accordance with the provisions of the applicable disability plans and other applicable benefit plans. The employment of Ms. Cornette will be automatically terminated upon her death, and the Company will pay her estate her compensation (base salary, bonus or otherwise) to the date of her death. In each case, any outstanding equity or non-equity incentive awards will be treated in accordance with the applicable plan and agreement documents.

Cause. The Company may terminate the employment of Ms. Cornette immediately, upon written notice, for Cause. The Company will generally have "Cause" to terminate Ms. Cornette's employment only if the Board determines there has been fraud, misappropriation, embezzlement or misconduct constituting serious criminal activity on her part. Upon termination for Cause, Ms. Cornette will receive her compensation to the date of termination. Any outstanding equity or non-equity incentive awards will be treated in accordance with the applicable plan and agreement documents.

Without Cause or Constructive Termination. In the event the Company terminates Ms. Cornette's employment, upon written notice, for any reason other than for Cause or her death, disability or in connection with a Change in Control (which has the same meaning as previously set forth in the Cincinnati Bell Inc. Executive Deferred Compensation Plan) or in the event Ms. Cornette terminates her employment as a result of Constructive Termination (as defined below):

on a date that is within five days after the date which is six months after the date of termination, the Company will pay Ms. Cornette in a lump sum cash payment an amount equal to 2.0 times the amount of her annual base salary rate then in effect;

for the purposes of any outstanding stock options, outstanding restricted stock or other incentive awards, Ms. Cornette's employment shall not be deemed to have terminated until the end of the two-year period commencing with the termination of the Cornette Employment Agreement (the "Current Term"); if applicable, an amount equal to the sum of (a) any forfeitable benefits of Ms. Cornette under any nonqualified pension, profit sharing, savings or deferred compensation plan that would have vested prior to the end of the Current Term if the term of her employment had not been terminated, plus (b) any additional vested benefits which would have accrued under any nonqualified defined benefit pension plan if the term of her employment had not been terminated prior to the end of the Current Term and if Ms. Cornette's base salary and bonus target had not increased or decreased after such termination, will be payable by the Company at the same time and in the same manner as such benefits would have been paid under such plan or plans had such benefits vested and accrued under such plan or plans at the time of the termination of her employment (the "Nonqualified Benefit"); if applicable, an amount equal to the sum of (a) any forfeitable benefits of Ms. Cornette under any qualified pension, profit sharing, 401(k) or deferred compensation plan that would have vested prior to the end of the Current Term if the term of her employment had not been terminated, plus (B) any additional vested benefits which would have accrued for her under any qualified defined benefit pension plan if the term of her employment had not been terminated prior to the end of the Current Term, and if Ms. Cornette's base salary and bonus target had not increased or decreased after such termination, will be paid by the Company from its general assets (and not under such plan or plans) in one lump sum within five days after the date which is six months after such termination of employment (the "Qualified Benefit"); and for the remainder of the Current Term, the Company will continue to provide Ms. Cornette with medical, dental and vision coverage that is comparable to the medical, dental, and vision coverage provided to Ms. Cornette immediately prior to the termination of the Cornette Employment Agreement (the "Medical Benefit") (with the cost of all such benefits shared between Ms. Cornette and the Company on a basis comparable to the cost-sharing of such benefits immediately prior to the termination of the Cornette Employment Agreement). To the extent that Ms. Cornette would have been eligible for any post-retirement medical, dental, or vision coverage from the Company if he had continued in employment through the end of the Current Term, the Company will provide such post-retirement coverage to her after the end of the Current Term (the "Post-Retirement Medical Benefit").

For the purposes of the Cornette Employment Agreement, "Constructive Termination" will generally be deemed to have occurred if, without Ms. Cornette's consent, (a) there is a material reduction in her authority, reporting relationship or responsibilities, (b) there is a reduction in her base salary or bonus target, or (c) Ms. Cornette is required by the Company to relocate more than 50 miles from the Greater Cincinnati, Ohio area.

Change in Control. In the event that there is both a Change in Control and within one year of such Change in Control: (a) Ms. Cornette elects to terminate her employment with the Company as a result of Constructive Termination, or (b) the Company terminates the employment of Ms. Cornette for any reason other than for Cause or her death or disability, the Cornette Employment Agreement will terminate automatically. In the event of such termination:

within five days after the date which is six months after the date of Ms. Cornette's termination of employment, the Company will pay Ms. Cornette in a lump sum cash payment an amount equal to the product of multiplying (a) the sum of her annual base salary rate and her annual bonus target, in each case, as then in effect by (b) 2.5; any outstanding stock option or other outstanding incentive award that is not vested and exercisable at the time of such termination will become vested and exercisable and the restrictions applicable to all outstanding restricted stock shall lapse upon termination of the Cornette Employment Agreement; and Ms. Cornette will be entitled to the Nonqualified Benefit, the Qualified Benefit, the Medical Benefit, and, to the extent applicable, the Post-Retirement Medical Benefit.

Voluntary Resignation by Ms. Cornette. Ms. Cornette may resign upon 60 days' prior written notice to the Company. In the event of such a resignation, the Company will pay Ms. Cornette her compensation (base salary, bonus or otherwise) to the date of such termination. Any outstanding equity or non-equity incentive awards will be treated in accordance with the applicable plan and agreement documents.

Release. As a condition precedent to Ms. Cornette's receiving the payments described under the foregoing "Termination Events" section (other than, when applicable, any base salary or bonus the payment of which has been earned by Ms. Cornette by the date of termination of the Cornette Employment Agreement but which is still unpaid as of the date of such termination and any non-forfeitable amounts payable under any employee benefit plan), Ms. Cornette, upon request of the Company, must execute and deliver to the Company a release of claims containing customary and appropriate terms and conditions as determined in good faith by the Company.

Restrictive Covenants. Pursuant to the Cornette Employment Agreement, Ms. Cornette is subject to confidentiality and intellectual property covenants during the term of her employment and thereafter. In addition, Ms. Cornette is subject to non-competition, non-solicitation and non-interference covenants during the term of her employment and for a period of one year following the cessation of her employment for any reason.

The description of the Cornette Employment Agreement is qualified in its entirety by reference to the Cornette Employment Agreement, a copy of which is attached as Exhibit 10.2 to this Current Report on Form 8-K and is incorporated by reference herein.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibit No. Description

Exhibit 10.1 Employment Agreement between Cincinnati Bell Inc. and Andrew R. Kaiser effective September 1, 2017.

Exhibit 10.2 Employment Agreement between Cincinnati Bell

Inc. and
Christi H.
Cornette
effective
September 1,
2017.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CINCINNATI BELL INC.

Date: August 8, 2017 By: /s/ Christopher J. Wilson
Christopher J. Wilson
Vice President and General Counsel