CENTURYLINK, INC
Form PRE 14A
March 25, 2019
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant 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))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material under §240.14a-12

CENTURYLINK, 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):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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Preliminary Proxy Materials
dated March 25, 2019;
Subject to Completion

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All references in this proxy statement or related materials to we, us, our, the Company or CenturyLink refer to CenturyLink, Inc. In addition, each reference to (i) the Board refers to our Board of Directors, (ii) Voting Shares refers collectively to our shares of Common Stock (Common Shares) and shares of Series L Preferred Stock (Preferred Shares), (iii) our executives or executive officers refers to our four executive officers listed in the table on page 7 of this proxy statement, (iv) meeting refers to the 2019 annual meeting of our shareholders described further herein, (v) named executives, named officers, named executive officers or NEOs refers to the seven current or form executive officers listed in the Summary Compensation Table appearing on page 71 of this proxy statement, (vi) senior officers refers to our executive officers and a limited number of additional officers whose compensation is determined by the Human Resources and Compensation Committee of our Board, (vii) Embarq refers to Embarq Corporation, which we acquired on July 1, 2009, (viii) Qwest refers to Qwest Communications International Inc., which we acquired on April 1, 2011, (ix) Level 3 refers to Level 3 Communications, Inc., prior to the Level 3 Combination on November 1, 2017, and to its successor-in-interest Level 3 Parent, LLC thereafter, (x) Level 3 Combination refers to our business combination with Level 3, which was publicly announced on October 31, 2016 and consummated on November 1, 2017 (which we from time to time refer to as the Closing or Closing Date), and (xi) the SEC refers to the U.S. Securities and Exchange Commission. Unless otherwise provided, all information is presented as of the date of this proxy statement.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 22, 2019

This proxy statement and related materials are

available at www.proxyvote.com.

Forward-Looking Statements

Except for historical and factual information contained herein, matters set forth in our 2019 proxy materials identified by words such as expects, believes, will and similar expressions are forward-looking statements as defined by the federal securities laws, and are subject to the safe harbor protection thereunder. These forward-looking statements are not guarantees of future results and are based on current expectations only, and are subject to uncertainties. Actual events and results may differ materially from those anticipated by us in those statements due to several factors, including those disclosed in our other filings with the SEC. We may change our intentions or plans discussed in our forward-looking statements without notice at any time and for any reason.

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Notice of 2019 Annual Meeting of Shareholders

TIME AND DATE

10:00 a.m. local time

May 22, 2019

PLACE

CenturyLink Auditorium

CenturyLink Headquarters

100 CenturyLink Drive

Monroe, Louisiana

ITEMS OF BUSINESS

(1) Elect as directors the 13 nominees named in the accompanying proxy statement

(2) Ratify the appointment of KPMG LLP as our independent auditor for 2019

(3) Amend our Articles of Incorporation to increase our authorized shares of common stock

(4) Ratify our NOL Rights Plan described herein

(5) Conduct a non-binding advisory vote to approve our executive compensation

(6) Act upon a shareholder proposal regarding our lobbying activities, if properly presented at the meeting

(7) Transact such other business as may properly come before the meeting and any adjournment

RECORD DATE You can vote if you were a shareholder of record at the close of business on March 28, 2019.

PROXY VOTING Shareholders are invited to attend the meeting in person. Even if you expect to attend, we urge you to vote in advance using any of the methods listed below.

Stacey W. Goff

Secretary

April 10, 2019

YOUR VOTE IS IMPORTANT TO US. WE URGE YOUR PARTICIPATION.

Using the voting instructions provided in your proxy materials, you may vote one of the following ways:

By Internet:	By Phone:	By Mail:	In Person:
visit www.proxyvote.com	call 1-800-690-6903	mark, sign, date and return proxy card	attend Annual Meeting

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ELECTION OF DIRECTORS

(Item 1 on Proxy or Voting Instructions Card)

Upon the recommendation of the Nominating and Corporate Governance Committee, the Board has nominated the 13 candidates named below as a director for a one-year term expiring at our 2020 annual meeting of shareholders, or until his or her successor is duly elected and qualified. Each of the candidates is currently a director of the Company.

Unless otherwise directed, all votes attributable to voting shares represented by each duly executed and delivered proxy will be cast for the election of each of the 13 below-named nominees. Under our bylaw nominating procedures, these nominees are the only individuals who may be elected at the meeting. If for any reason any such nominee should

decline or become unable to stand for election as a director, which we do not anticipate, the persons named as proxies may vote instead for another candidate designated by the Board, without re-soliciting proxies.

For additional information about our director nomination process and agreements under which we are obligated to nominate certain directors at the meeting, see Corporate Governance Director Nomination Process.

To be elected, each of the 13 nominees must receive an affirmative vote of a majority of the votes cast with respect to this matter.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THE ELECTION OF EACH OF THE DIRECTOR NOMINEES.

Director Qualifications

Director Skills

and Experience

Executive Management/ Operational Management
Industry Experience
Accounting/Finance
Risk Management
Global
Cybersecurity
Government Relations/ Legal and Regulatory/Public Policy

Strategic Planning/Transformation
Customer Experience/Sales
Environmental, Sustainability and Corporate Responsibility
Human Resources/ Talent Management
Corporate Governance/ Other Board Experience

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ELECTION OF DIRECTORS

(Item 1 on Proxy or Voting Instructions Card)

Director Nominees

MARTHA H. BEJAR

Age 57

Director Since 2016

Committees:

Audit

Risk and Security

Martha H. Bejar is a co-founder of Red Bison Advisory Group LLC, which focuses on being a trusted advisor, providing objective and results-oriented analysis and solutions in the areas of Real Estate, Natural Resources and ICT. Previously, Ms. Bejar served as Chief Executive Officer and director of Unium Inc., a Wi-Fi service provider, from March 2017 to March 2018. She also served as Chief Executive Officer and director of Flow Mobile, Inc., a communications company offering broadband wireless access services, from January 2012 to December 2015. She served as chairperson and Chief Executive Officer of Infocrossing Inc., a U.S.-based cloud services affiliate of Wipro Limited, from January 2011 to March 2012. She served as President of Worldwide Sales and Operations at Wipro Technologies Inc., an information technology services affiliate of Wipro Limited, from 2009 to 2011. From 2007 to 2009, Ms. Bejar worked at Microsoft Corporation, where she was corporate vice president for the communications sector. From 1997 to 2007, she held various executive positions at Nortel Networks Corporation, a telecommunications and data networking company. Ms. Bejar is currently an independent director of CommVault Systems, Sportsman s Warehouse Holdings, Inc. and Neopost SA.

VIRGINIA BOULET

Age 65

Director Since 1995

Committees:

Nominating and Corporate Governance *(Chair)*

Human Resources and Compensation

Virginia Boulet has served as a managing director of Legacy Capital LLC, an investment banking firm based in New Orleans, Louisiana, since March 2014. Previously, she was Special Counsel at Adams and Reese LLP, a law firm, from March 2002 to March 2014. She practiced as a corporate and securities attorney for Phelps Dunbar, L.L.P. from

1992 to 2002 and for Jones Walker LLP from 1983 to 1992. Since 2004, Ms. Boulet has served as an adjunct professor of securities regulation law and merger and acquisition law at Loyola University-New Orleans College of Law. She is currently a director of W&T Offshore, Inc. Ms. Boulet practiced law for 30 years, and has lectured for many years, in the area of corporate governance.

PETER C. BROWN

Age 60

Director Since 2009

Committees:

Audit

Finance *(Chair)*

Peter C. Brown has served as Chairman of Grassmere Partners, LLC, a private investment firm, since July 2009. From 1991 until his retirement in February 2009, Mr. Brown held several executive level positions with AMC Entertainment Inc., a theatrical exhibition company, including Chairman of the Board, President and Chief Executive Officer. In 1997, he founded EPR Properties, a NYSE-listed real estate investment trust, formerly known as Entertainment Properties Trust. Mr. Brown is currently a trustee of EPR Properties and a director of Cinedigm Corp.

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GENERAL KEVIN P. CHILTON (USAF, RETIRED)

Age 64

Director Since 2017

Committees:

Audit

Risk and Security *(Chair)*

General Kevin P. Chilton (USAF, Retired) has served as a director since November 1, 2017. He retired from the U.S. Air Force after 34 years of service in February 2011. General Chilton served as Commander, U.S. Strategic Command, from 2007 through 2011, overseeing operations for the U.S. Department of Defense nuclear, space and cyberspace operations. From 2006 to 2007, General Chilton served as Commander of Air Force Space Command, where he was responsible for all Air Force space and nuclear ICBM programs. He also served as a NASA astronaut from 1987 to 1996, including on three space shuttle flights, and as the Deputy Program Manager for the International Space Station from 1996 to 1998. General Chilton served as a director of Orbital ATK Inc. until June 2018. He also served as a director of the Aerospace Corporation, a federally-funded research and development center that is sponsored by the United States Air Force, and Anadarko Petroleum Corporation until 2016. Prior to November 1, 2017, he served as a director of Level 3 Communications, Inc.

STEVEN T. CLONTZ

Age 68

Director Since 2017

Committees:

Human Resources and Compensation

Nominating and Corporate Governance

Steven T. Clontz has served as a Corporate Advisor to Singapore Technologies Telemedia Pte. Ltd. since January 2018 and a Corporate Advisor to Temasek International Advisors Pte. Ltd. since January 2010. He was Senior Executive Vice President (International) of Singapore Technologies Telemedia Pte. Ltd. from January 2010 to December 2017. Mr. Clontz previously served as chief executive officer of StarHub Limited from 1999 to 2010, and has served as the Non-Executive Chairman of StarHub Limited since July 2015 and a director of StarHub Limited since 1999. From December 1995 through December 1998, Mr. Clontz served as chief executive officer, president and a director of IPC Information Systems. Prior to that, Mr. Clontz worked at BellSouth International, joining in 1987 and holding senior executive positions, serving the last three years as president Asia-Pacific. Mr. Clontz served as a director of InterDigital, Inc. from 1998 until 2015 and Equinix, Inc. from 2005 until 2013. Prior to November 1, 2017, he served as a director of Level 3 Communications, Inc.

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T. MICHAEL GLENN

Age 63

Director Since 2017

Committees:

Audit

Human Resources and Compensation

T. Michael Glenn has served as Senior Advisor at Oak Hill Capital Partners since 2017. Until his retirement in December 2016, Mr. Glenn was executive vice president of Market Development and Corporate Communications for FedEx Corporation. He also served as a member of the five-person Executive Committee, responsible for planning and executing the corporation s strategic business activities, and as president and chief executive officer of FedEx Corporate Services, responsible for all marketing, sales and retail operations functions for all FedEx Corporation operating companies. Before FedEx Corporation was formed in 1998, Mr. Glenn was senior vice president, Worldwide Marketing, Customer Service and Corporate Communications for FedEx Express. In that role, he was responsible for directing all marketing, customer service, employee communications and public relations activities. Mr. Glenn currently serves as a director of Pentair plc. Prior to November 1, 2017, he served as a director of Level 3 Communications, Inc.

W. BRUCE HANKS

Age 64

Director Since 1992

Committees:

Audit *(Chair)*

Finance

W. Bruce Hanks has served as non-executive Vice Chairman of the Board of Directors of CenturyLink since May 2017 and lead independent director since February 2018. He has served as a consultant with Graham, Bordelon, Golson and Gilbert, Inc., an investment management and financial planning company, since 2005. From March 2001 to June 2004, Mr. Hanks served as Athletic Director of the University of Louisiana at Monroe. From 1980 to 2001, he held various executive positions at CenturyLink, including Chief Operating Officer, Senior Vice President Corporate Development and Strategy, Chief Financial Officer, and President Telecommunications Services. Prior to then, Mr. Hanks worked as a certified public accountant with Peat, Marwick & Mitchell for three years. He currently serves as a Director of the American Football Coaches Foundation and is an advisory director of IberiaBank Corporation. Mr. Hanks also previously served on the executive boards of several telecommunications industry associations including the Cellular Telecommunications Industry Association and the National Exchange Carriers Association and the boards of other publicly-owned companies including Brooks Fiber Company and American Horizons Bank. He is recognized as a Board Leadership Fellow by the National Association of Corporate Directors. He is a member of the Louisiana State Society of CPAs.

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MARY L. LANDRIEU

Age 63

Director Since 2015

Committees:

Nominating and Corporate Governance

Risk and Security

Mary L. Landrieu has served as senior policy advisor at Van Ness Feldman, LLP, a Washington D.C.- based law firm, since May 2015. She also served as policy advisor at Walton Family Foundation, a philanthropic organization focused on improving K-12 education and supporting economic incentives for sustainable resource management, from 2014 to 2016. Previously, Ms. Landrieu served as a U.S. Senator from the State of Louisiana from 1996 to 2014, where she chaired the Senate Committee on Energy and Natural Resources, served on the Senate Committee on Appropriations, chaired the Subcommittees on Homeland Security, Financial Services and General Government, and the District of Columbia, chaired the Senate Committee on Small Business and Entrepreneurship. In her work on Homeland Security, Senator Landrieu led the disaster recovery efforts after Hurricane Katrina and the Gulf restoration efforts after the BP oil spill. She also was elected as Louisiana treasurer from 1987 to 1995, and served as a member of the Louisiana legislature from 1979 to 1987. Ms. Landrieu currently serves on the board of trustees or board of directors of several national organizations promoting education or children s welfare.

HARVEY P. PERRY

Age 74

Director Since 1990

Committees:

Finance

Risk and Security

Harvey P. Perry has served as non-executive Chairman of the Board of Directors of CenturyLink, since May 2017. From January 2004 to May 2017, Mr. Perry served as non-executive Vice Chairman of the Board of Directors of CenturyLink. He retired from CenturyLink in 2003. Mr. Perry joined CenturyLink in 1984, serving as Secretary and General Counsel for approximately twenty years and Executive Vice President and Chief Administrative Officer for almost five years. Prior to joining CenturyLink, Mr. Perry worked as an attorney in private practice for 15 years.

GLEN F. POST, III

Age 66

Director Since 1985

Committees:

Finance

Risk and Security

Glen F. Post, III served as Chief Executive Officer of CenturyLink from 1992 to May 2018 and as President of CenturyLink from 1990 to November 1, 2017 (except for 2002 to 2009). Mr. Post served as Chairman of the Board of CenturyLink from 2002 to 2009 and as Vice Chairman of the Board of CenturyLink from 1993 and 2002. Mr. Post has also held various other positions at CenturyLink between 1976 and 1993, most notably Treasurer, Chief Financial Officer and Chief Operating Officer. He retired from CenturyLink in May 2018. Mr. Post previously served on the National Security Telecommunications Advisory Committee (NSTAC) and a number of other Boards and Foundations. He previously chaired the FCC s Communications Security, Reliability and Interoperability Council.

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MICHAEL J. ROBERTS

Age 68

Director Since 2011

Committees:

Human Resources and Compensation

Nominating and Corporate Governance

Michael J. Roberts has served as Chief Executive Officer and founder of Westside Holdings LLC, a marketing and brand development company, since 2006. He served as President and Chief Operating Officer of McDonald s Corporation, a foodservice retailer, from 2004 to 2006. He also served as Chief Executive Officer of McDonald s USA during 2004 and as President of McDonald s USA from 2001 to 2004. Mr. Roberts is currently a director of W.W. Grainger, Inc.

LAURIE A. SIEGEL

Age 63

Director Since 2009

Committees:

Human Resources and Compensation *(Chair)*

Nominating and Corporate Governance

Laurie A. Siegel founded LAS Advisory Services in 2012, a business and human resources consultancy. She also serves as a Senior Advisor to the G100, and serves as Chairman of the G100 Talent Consortium. She retired in September 2012 from Tyco International Ltd., a diversified manufacturing and service company, where she served as Senior Vice President of Human Resources and Internal Communications from 2003 to 2012. From 1994 to 2002, she held various positions with Honeywell International Inc., including Vice President of Human Resources Specialty Materials. She was previously a director of global compensation at Avon Products and a principal of Strategic Compensation Associates. Ms.Siegel is currently a director of FactSet Research Systems Inc. and California Resources Corporation.

JEFFREY K. STOREY

Age 58

Director Since 2017

Committees:

Risk and Security

Jeffrey K. Storey has served as Chief Executive Officer and President of CenturyLink since May 2018. He served as President and Chief Operating Officer of CenturyLink from November 2017 to May 2018. From April 2013 to October 2017, Mr. Storey served as President and Chief Executive Officer of Level 3 Communications, Inc. From December 2008 to April 2013, he served as Level 3 s President and Chief Operating Officer. From 2006 to 2008, Mr. Storey served as President of Leucadia Telecommunications Group of Leucadia National Corporation, where he directed and managed Leucadia s investments in telecommunications companies. From October 2002 to 2005, Mr. Storey served as Chief Executive Officer of WilTel Communications Group, LLC. Prior to that position, Mr. Storey served as Chief Operations Officer, Network for Williams Communications, Inc., where he had responsibility for all areas of operations for the company s communications network, including planning, engineering, field operations, service delivery and network management. Prior to November 1, 2017, he served as a director of Level 3 Communications, Inc.

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Executive Officers Who Are Not Directors

Listed below is information on each of our executive officers who are not directors. Unless otherwise indicated, each person has been engaged in the principal occupation shown for more than the past five years.

INDRANEEL DEV

Age 47

Indraneel Dev, Executive Vice President Chief Financial Officer since November 6, 2018; served as interim Chief Financial Officer from September 28, 2018 to November 6, 2018; served as Group Vice President, Finance of CenturyLink from November 1, 2017 until September 28, 2018 and with Level 3 from February 2004 until November 1, 2017.

STACEY W. GOFF

Age 53

Stacey W. Goff, Executive Vice President, General Counsel and Secretary since 2009; served as Chief Administrative Officer from November 2014 to May 2018; served as Senior Vice President, General Counsel and Secretary prior to 2009.

SCOTT A. TREZISE

Age 50

Scott A. Trezise, Executive Vice President Human Resources since August 2013; served as Senior Vice President Human Resources for The Shaw Group, Inc. from June 2010 until its acquisition by Chicago Bridge & Iron Company N.V. in February 2013; served as Vice President of Human Resources for Honeywell International Inc. from 2005 to June 2010.

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CORPORATE GOVERNANCE

CenturyLink is committed to strong corporate governance principles. We believe our corporate governance practices and policies promote the long-term interests of our shareholders, strengthen the accountability of our Board and management and build public trust in our Company. Our Corporate

Governance Guidelines, along with the charters of our Board committees, our bylaws and Code of Conduct, provide the framework for the governance of our company and reflect the Board s commitment to monitor the effectiveness of our decision-making processes.

Governance Highlights

ü Annual Election of Directors

ü Majority Voting in Director Elections

ü Proxy Access Bylaw

ü Separation of Chairman and CEO Roles

ü Lead Independent Director

ü Regular Executive Sessions of Independent Directors
ü All Directors Attending more than 75% of Meetings

ü Annual Board and Committee Evaluations

ü Stock Ownership Guidelines for Directors and Executive Officers

ü Anti-Hedging, Short Sale and Pledging Policies ü Comprehensive Risk Oversight by the Board and its Committees

Key Governance Materials

ü Corporate Governance Guidelines

ü Articles of Incorporation

ü Bylaws

ü Charter for Each Board Committee

ü Code of Conduct and Supplier Code of Conduct

ü Anti-Corruption Policy

ü Modern Slavery Statement

ü Integrity Line

These Corporate Governance Guidelines, committee charters and corporate ethics and compliance documents are available on our website at ***http://www.centurylink.com/aboutus/governance.html***

Board Composition

In accordance with our Corporate Governance Guidelines, our Nominating and Corporate Governance Committee reviews annually the composition and size of the Board. We recognize the importance of Board refreshment to continually maintain a group of directors with a balanced mix of institutional knowledge and fresh perspectives. We seek directors who have diverse and extensive experience and skills that match our needs, and who can provide independent oversight of our operations.

The materials below provide additional information about our Board composition. We remain committed to an ongoing review of the Board s composition to ensure that we maintain the right mix of skills, background and tenure as we continue to position the company for long-term success.

Board Composition

Board Leadership Structure

Since 2009, the Board has annually elected a non-executive Chairman. In May 2017, the Board elected Harvey P. Perry as our Chairman and lead director. In early May 2018, the Board re-elected Mr. Perry as Chairman and named W. Bruce Hanks as lead independent director.

The Chairman s responsibilities include presiding over Board meetings, overseeing the management, development and functioning of the Board, and in consultation with the CEO, planning and organizing the activities of the Board and the schedule and agendas for Board meetings.

Our lead independent director s responsibilities include coordinating and developing an agenda for each meeting of non-management directors. With regard to information from management that is necessary for the non-management directors to perform their duties effectively and responsibly, the lead independent director also provides guidance to the CEO on the quality, quantity, and timeliness of

the flow of information, with the understanding that the non-management directors will receive any information requested on their behalf by the lead independent director.

The Board believes that the separation of the Chairman and CEO positions has functioned effectively over the past several years. Separating these positions has allowed our CEO to have primary responsibility for the operational leadership and strategic direction of our business, while allowing our Chairman to lead the Board in its fundamental role of providing guidance to and separate oversight of management.

Our Board periodically reviews its leadership structure and may make such changes in the future as it deems appropriate. The Board believes that its programs for overseeing risk would be effective under a variety of top leadership structures, and, accordingly, this factor has not materially affected its current choice of leadership structure.

Director Independence

On an annual basis, our Board evaluates the independence of each director nominee, based on the independence standards of our Corporate Governance Guidelines and applicable NYSE standards. Based on its review, the Board has affirmatively determined that all but three of our directors Messrs. Storey, Perry and Post qualify as independent directors.

In making these determinations, the Board considered all known commercial, banking, consulting, legal, accounting, charitable, familial or other relationships any director may have with us. Some of our independent directors are employed by or affiliated with companies with which we do

business in the ordinary course, either as a service provider, a customer or both. In all cases the amounts spent under these transactions fell well below the materiality thresholds established in the NYSE listing standards and in our Corporate Governance Guidelines. Consequently, our Board concluded that the amounts spent under these transactions did not create a material relationship with us that would interfere with the exercise of independent judgment by any of these directors.

As noted further below, our Audit Committee, Human Resources and Compensation Committee, and Nominating and Corporate Governance Committee are composed solely of independent directors.

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CORPORATE GOVERNANCE

Shareholder Engagement

Shareholder Engagement

We believe regular communication with our shareholders is critical to ensure that management and the Board are aware of our shareholders priorities. The Board strives to be responsive and to ensure that shareholders concerns and observations are appropriately addressed. Through our communications with shareholders over the years, we have strived to improve our governance practices and view obtaining this feedback as a priority.

Our senior management team, including our CEO, CFO and members of our Investor Relations team, maintain regular contact with a broad base of investors, including through investor meetings, conferences and quarterly earnings calls. For years, we have supplemented this engagement with annual outreach efforts.

In 2018, we established a more formal corporate governance outreach process to receive feedback from our large institutional investors, pension funds and the two largest proxy advisory firms, for their perspectives on our governance practices, board

diversity and composition, compensation philosophy and other topics. The outreach efforts are managed by a cross-functional team that includes the Human Resources/Executive Compensation, Legal and Investor Relations departments and the Board of Directors. In 2018, in more than one of these outreach meetings, at least one member of the Board teamed with senior management to facilitate in-depth discussions of these issues. Appropriate members of the Board were provided summaries of the feedback received.

We intend to continue with a regular and robust communication cycle throughout the year, including reviewing results from our most recent annual meeting of shareholders in the second quarter; engaging in active outreach with investors to understand corporate governance priorities and compensation practices in the third and fourth quarters; and sharing feedback with our Human Resources and Compensation Committee, Nominating and Governance Committee and full Board throughout the year.

Communicating with Your Board

If you would like to provide feedback to the Board, you may contact either our Chairman, lead independent director or any other director by writing a letter addressed specifically to them, c/o Post Office Box 5061, Monroe, Louisiana 71211, or by sending an email to ***boardinquiries@centurylink.com.***

Board s Role in Setting Strategy

Our Board oversees and provides guidance to senior management on the development and implementation of the Company s strategic plans. This occurs year-round at quarterly Board meetings through presentations and discussion of the strategies to be pursued by the Company as a whole or by its lines of business. Each year, we schedule an extended meeting to enable a comprehensive review of our strategy and long-term plan.

From time-to-time at these strategy sessions, we invite outside experts or consultants to share their

views on issues impacting our strategic options, industry trends and technological developments. As discussed further under Compensation Discussion and Analysis, our Human Resources and Compensation Committee reviews our strategies annually to ensure that the performance metrics used in our executive compensation programs appropriately incentivize the pursuit of our short and long-term strategic goals. In addition, our Board s sharp focus on risk management oversight (discussed in detail below) plays a key role in our strategic planning process.

Board Education

We strive to educate our Board on industry, technological and regulatory conditions impacting us, principally through the Board presentations and strategy sessions described immediately above. We also actively encourage our directors to attend educational conferences or seminars to supplement

their knowledge base. Our directors also have access to our internal technology advisory Board, including invitations to attend the advisory Board s periodic educational update meetings, which is especially helpful in connection with on-boarding new directors.

Oversight of Risk Management

Role of the Board. While senior management has primary responsibility for managing risk on a day-to-day basis, our Board is responsible for overseeing our risk management processes. These processes are a coordinated effort among our business units, senior leadership, risk management personnel and internal auditors.

Directors typically monitor our risk profile by receiving from management periodic briefing and educational presentations. The Board works with senior management to assess our key short- and long-term business risks, including an enterprise risk management reporting process designed to identify critical risks and formulate risk mitigation strategies.

The Board oversees the management of our critical risks by using several different levels of review. The

Board addresses the primary risks associated with our business units and corporate functions in connection with receiving periodic operational reports. The Board also reviews the risks associated with our strategic plan at an annual strategic planning session and periodically throughout the year. In addition, our non-executive chairman and lead independent director regularly meet and discuss with our chief executive officer a variety of matters, including our business strategies, opportunities, key challenges and key risks, as well as management s risk mitigation strategies. Finally, the Board assesses risks in connection with authorizing major transactions or initiatives, such as acquisitions, operating or capital budgets, new product development or strategic investments, as well as through regular communications with its committees.

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CORPORATE GOVERNANCE

Oversight of Risk Management

Role of the Committees. Each of our Board committees oversees the management of risks that fall within that committee s areas of responsibility and assist the Board in fulfilling its oversight responsibilities with respect to certain recurring risks, as described below:

Committee Oversight Responsibilities

Risk and Security Committee	Audit Committee
Assists the Board in fulfilling its oversight responsibilities with respect to, among others:	Responsible for reviewing and discussing with management, our internal auditors and our independent auditors our major financial risks, including matters potentially impacting financial reporting
risks posed by cyberattacks or other casualty events (Quarterly Topic)	Assists the Board in fulfilling its oversight responsibilities relating to the adequacy and effectiveness of our (i) internal control over financial reporting, (ii) our internal controls regarding information technology security and (iii) our disclosure controls and procedures
risks related to network reliability, privacy and regulations	
other key enterprise or operational risks as jointly determined by the Committee and management	
Oversees our classified activities and facilities through a subcommittee	
Oversees our corporate compliance and enterprise risk management programs and activities	

Receives periodic reports on various risk exposures, including quarterly reports on cybersecurity, which typically include reports on recent cyber intrusions, mitigation steps taken in response to those intrusions, and ongoing cybersecurity initiatives

Coordinates risk oversight functions of other Board committees

Finance Committee

Assists the Board in fulfilling its oversight responsibilities with respect to the management of our financial resources and capital structure, including our (i) capital requirements, (ii) capital allocation plans, (iii) benefit plan funding and (iv) hedging strategies

Provides guidance, as needed, regarding capital markets transactions

Human Resources and Compensation Committee

Responsible for overseeing the assessment of whether our compensation policies and practices are likely to expose us to material risks

Responsible, in consultation with management, for overseeing our compliance with regulations governing executive and director compensation

Oversees our labor relations risks

Nominating and Corporate Governance Committee

Assists the Board in fulfilling its oversight responsibilities with respect to the management of risks associated with the company s Board leadership structure and corporate governance matters.

For additional information on these committees, see Committees of the Board.

Role of Third Parties. From time to time, we retain third party firms to assist the Board in various capacities, including risk assessment. Over the past three years, we retained two different firms to conduct detailed reviews of our cybersecurity programs. These reviews were discussed with our directors and enabled us to further strengthen our cybersecurity programs. We also periodically retain consultants to assess with our Board the risks of our current or proposed business strategies.

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Board Evaluation Process

Our Nominating and Corporate Governance Committee oversees the annual performance evaluation of the Board as a whole and each committee of the Board. Annually, each director completes an evaluation of the full Board and of each committee on which the director serves. The evaluations are intended to provide an opportunity to evaluate performance, with the goal of improving Board and committee processes and effectiveness.

Although questionnaires are used to frame issues, our process typically focuses primarily on in-depth director interviews by the chair of the Nominating and Corporate Governance Committee (or the appropriate committee chair in the case of committee evaluations). The process is designed to elicit both specific and general comments on various key areas of Board practices, and to ask each director to evaluate how well the Board and committees operate. Directors are also asked to assess the performance of the Chairman, lead independent director and each committee chair. Management input is also received and assessed. The Nominating

and Corporate Governance Committee reviews the results and the overall assessment is presented to the full Board. Each committee chair reviews the results of the committee reviews and presents those results to the committee. The results are typically used in connection with assessing Board recruitment strategies, committee assignments and changes in Board or committee procedures, among other things.

The Nominating and Corporate Governance Committee annually assesses its evaluation protocols to determine if changes are warranted. In addition to these annual self-assessments, the Board and its committees typically evaluate and modify their functions on an ongoing basis in executive sessions.

When evaluating candidates for nomination as new directors, our Corporate Governance Guidelines provide that our Nominating and Corporate Governance Committee will consider a pool of candidates that includes women and individuals from minority groups.

Board of Directors Meetings

During 2018, the Board held seven meetings and all of our directors attended at least 75% of the aggregate number of all Board meetings and all meetings of Board committees on which they served. In addition, each of our directors attended the 2018 annual shareholders meeting.

All Board and committee members are actively encouraged to suggest agenda items to be discussed at upcoming meetings. Directors are generally free to attend all committee meetings. No less than quarterly, our non-management directors and our independent directors meet in executive session, and our committees also periodically meet in executive session, in all cases without management present.

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CORPORATE GOVERNANCE

Committees of the Board

Committees of the Board

During 2018, we took a number of steps to reinvigorate our Board committee functions, including (i) refreshing committee composition to gain new perspectives, (ii) expanding or revising the duties of certain committees, particularly with respect to re-allocating various risk oversight responsibilities and (iii) renaming certain committees to reflect these changes. The table below lists the Board s standing committees and their membership as of the date of this proxy statement:

Director	Audit Committee Member	Human Resources and Compensation Committee Member	Nominating and Corporate Governance Committee Member	Risk and Security Committee[(1)] Member	Finance Committee[(2)] Member
Martha H. Bejar	ü			ü	
Virginia Boulet		ü	Chair		
Peter C. Brown[(3)]	ü				Chair
Kevin P. Chilton[(4)]	ü			Chair	
Steven T. Clontz[(5)]		ü	ü		
T. Michael Glenn[(6)]	ü	ü			
W. Bruce Hanks	Chair				ü
Mary L. Landrieu			ü	ü	
Harvey P. Perry[(7)]				ü	ü
Glen F. Post, III[(8)]				ü	ü
Michael J. Roberts		ü	ü		
Laurie A. Siegel[(9)]		Chair	ü		
Jeffrey K. Storey[(10)]				ü	

(1) Formerly named the Risk Evaluation Committee.

(2) Formerly named the Pricing Committee.

(3) Peter C. Brown became the chair of the Finance Committee on May 23, 2018.

(4) Kevin P. Chilton became the chair of the Risk and Security Committee on May 23, 2018.

(5) Steven T. Clontz joined the Human Resources and Compensation Committee on May 23, 2018.

(6) T. Michael Glenn joined the Audit Committee on May 23, 2018.

(7) Harvey P. Perry joined the Finance Committee on May 23, 2018.

(8) Glen F. Post, III joined the Risk and Security Committee on May 23, 2018.

(9) Laurie A. Siegel joined the Nominating and Corporate Governance Committee on May 23, 2018.

(10) Jeffrey K. Storey joined the Risk and Security Committee on May 23, 2018.

Audit Committee. During 2018, the Board s Audit Committee held eight meetings. With the exception of Mr. Glenn, the Audit Committee is currently composed of five independent directors, all of whom the Board has determined to be audit committee financial experts, as defined under the federal securities laws.

Human Resources and Compensation Committee. The Board s Human Resources and

Compensation Committee (which in most instances is hereinafter referred to as the Compensation Committee) met nine times during 2018. The Compensation Committee is currently composed of five independent directors, all of whom qualify as non-employee directors under Rule 16b-3 promulgated under the Securities Exchange Act of 1934.

Nominating and Corporate Governance Committee. The Board s Nominating and Corporate Governance Committee (which in most instances is hereinafter referred to as the Nominating Committee) is currently composed of five independent directors. It met six times during 2018. The Nominating Committee is responsible for, among other things, (i) recommending to the Board nominees to serve as directors and officers, (ii) monitoring the composition and size of the Board and its committees, (iii) periodically reassessing our Corporate Governance Guidelines described above, (iv) leading the Board in its annual review of the Board s performance, (v) reviewing shareholder proposals and making recommendations to the Board regarding how to respond, (vi) conducting an intensive annual review of the performance of our Chief Executive Officer, including interviewing each of our other senior officers, and (vii) reporting to the Board on succession planning for executive officers and appointing an interim CEO if the Board does not make such an appointment within 72 hours of the CEO dying or becoming disabled.

Risk and Security Committee. The Board maintains a Risk and Security Committee, which met four times during 2018.

Finance Committee. The Board also maintains a Finance Committee, which formerly operated as the Pricing Committee with the power to approve the terms under which we sell our securities or borrow money. During 2018, this committee was renamed and its ambit was enlarged to include the finance oversight responsibilities described above under the heading Oversight of Risk Management.

Each of the committees listed above is composed solely of independent directors, except for the Risk and Security Committee, which includes Messrs. Perry, Post and Storey, and the Finance Committee, which includes Messrs. Perry and Post.

Additional information on the responsibilities of these committees can be found elsewhere herein and in the committees respective charters, which can be obtained in the manner described on page 8.

Succession Planning and Development

The Board is focused on ensuring that we have short- and long-term succession plans in place for our key senior executives. Our long-term succession plan is intended to develop a pipeline of qualified

talent for key roles. The planning process includes a discussion of succession candidates, an assessment of their relevant strengths and skills, and corrective steps where necessary to address gaps in skill sets. Multiple succession candidates may be identified for a specific position and provided with relevant growth opportunities. Where possible, the Board evaluates internal succession candidates based upon their presentations to the Board and participation in other Board activities. Board members also participate in annual 360° peer reviews of senior executives, which provides additional information on internal succession candidates.

The Nominating Committee is responsible for overseeing the succession planning process for our Chief Executive Officer and other key senior executives. The committee provides periodic updates on succession planning to the independent directors. During 2018, the committee retained a nationally-recognized executive search firm to assist it with its succession planning activities, including the identification of future internal and external succession candidates.

Stock Ownership Guidelines

We require our executive officers to beneficially own CenturyLink stock equal in market value to specified multiples of their annual base salary. See Compensation Discussion and Analysis Our Policies, Processes and Guidelines Related to Executive Compensation Stock Ownership Guidelines for information on the executive ownership multiples and the holding percentages currently in effect. All executive officers have three years from the date they first become subject to a particular ownership level to attain that target.

We require our outside directors to beneficially own CenturyLink stock equal in market value to five times their annual cash retainer. Outside directors have five years from their election or appointment date to attain that target.

The Human Resources and Compensation Committee administers the guidelines, and may modify their terms and grant hardship exceptions in its discretion. For any year during which an executive or director does not meet his or her ownership target, the executive or director is required to hold a specified percentage of the CenturyLink stock that the executive or director acquires through our equity compensation programs, excluding shares sold to

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CORPORATE GOVERNANCE

Stock Ownership Guidelines

pay taxes associated with the acquisition thereof. As of December 31, 2018, all of our outside directors and executive officers exceeded their stock ownership thresholds.

Director Nomination Process

General. Nominations for the election of directors at our annual shareholders meetings may be made by the Board (upon the receipt of recommendations of the Nominating Committee) or by any shareholder of record who complies with our bylaws. For the meeting this year, the Board has nominated the 13 nominees listed above under Election of Directors to stand for re-election as directors. For further information on procedures governing the submission of shareholder proposals, see Frequently Asked Questions.

Role of Nominating Committee. The Nominating Committee will consider candidates properly and timely nominated by shareholders in accordance with our bylaws. Upon receipt of any such nominations, the Nominating Committee will review the submission for compliance with our bylaws, including determining if the proposed nominee meets the bylaw qualifications for service as a director.

From time to time, we have added to our Board directors who previously served as directors of companies we acquired. For instance, in connection with acquiring Embarq in 2009, Qwest in 2011 and Level 3 in 2017, we added several new directors to our Board who previously served as directors of those companies, seven of whom are nominees to be re-elected at the meeting.

Except as provided by our Corporate Governance Guidelines, the Nominating Committee has not established any specific minimum qualifications for director candidates. Under our Corporate Governance Guidelines, the Nominating Committee assesses director candidates based on their independence, diversity, character, skills and experience in the context of the needs of the Board. Further, our Corporate Governance Guidelines provide that no director may be appointed or nominated to a new term as a director if he or she would be age 75 or older at the time of the election or appointment. The committee evaluates each individual in the context of the Board as a whole, with the objective of recommending nominees who can best contribute to the success of the business and best represent shareholder interests through the exercise of their particular experience and skill set.

Waivers of Governance Requirements. Our directors are subject to our Corporate Governance Guidelines, which, among other things, prohibit a director from serving on more than two additional unaffiliated public company boards. In addition to serving on our Board, Martha H. Bejar serves on the board of directors of more than two unaffiliated public companies. In connection with her re-nomination to serve as a director on our Board at the meeting, the Board waived compliance with the above-described service limitation, subject to the understanding that this waiver permits Ms. Bejar to serve only on the boards of the unaffiliated companies on which she was serving on the date of the waiver, unless and until she is permitted to accept a new directorship under our Corporate Governance Guidelines.

Agreements to Nominate Certain Directors. In connection with the Level 3 Combination, on October 31, 2016 we entered into a Shareholder Rights Agreement with STT Crossing Ltd. (STT Crossing), which was Level 3 s largest shareholder as of such date. In early 2018, STT Crossing assigned its rights under this agreement (the Shareholder Rights Agreement) to two of its affiliates, Everitt Investments Pte. Ltd and Aranda Investments Pte. Ltd. (the STT

Affiliates). Pursuant to the Shareholder Rights Agreement, the Nominating Committee is currently obligated to nominate the individual designated by the STT Affiliates for election to the Board, subject to (i) the fiduciary duties of the members of that committee, (ii) any applicable regulation or listing requirement of the New York Stock Exchange and (iii) any applicable provisions of any network security agreement between us, STT Crossing and a government agency. Following the execution of the Shareholder Rights Agreement, STT Crossing or the STT Affiliates in each instance have designated Steven T. Clontz as their designee. The Board is required to recommend that the shareholders vote in favor of the STT Affiliates designee and we are required to use all reasonable efforts to cause the individual to be elected as a member of the Board. In making its recommendation to the full Board regarding the nominee for election to our Board at the meeting, the Nominating Committee considered, among other things, Mr. Clontz s extensive experience in the telecommunications industry. For additional information about the Shareholder Rights Agreement, please see the full copy of the agreement that we have filed as an exhibit to our prior SEC reports.

Current Discussions. Through its Schedule 13D filing on February 19, 2019, Southeastern Asset Management, Inc. expressed its intent to have conversations with us about adding directors to the Board. As we initially announced in our press release dated February 19, 2019, we are engaged in constructive discussions with Southeastern regarding its suggested nominees. Currently, members of our Board are evaluating potential nominees. While we are confident that we will mutually agree upon a candidate who will strengthen our Board, we cannot currently predict how long this process will take or its ultimate outcome.

Corporate Social Responsibility

The Board and management team are committed to CenturyLink s vision to make a positive difference in the world and specifically in the communities we serve. This commitment is supported at all levels of our organization, across the globe. Through our actions, our goal is to make our employees, business partners and communities proud of our innovative and quality services, the unwavering integrity of our business ethics, our deep commitment to being a good employer, our respect for the environment, and our ongoing support of the communities where we live and work.

CenturyLink is committed to growing its business in a sustainable and socially responsible manner. We support the passions and interests of our employees, and empower them to be a positive influence in the world. We are proud to provide many opportunities to be good neighbors by volunteering time and talent to support the causes that matter most to our employees.

To learn more about our wide-ranging CSR programs, please see our Corporate Social Responsibility Report posted on the Community section of our website at https://www.centurylink.com/aboutus/community.html.

CenturyLink s Unifying Principles

CenturyLink s unifying principles serve as the foundation upon which we continue to grow, conduct our business and guide our interactions with our customers, shareholders, communities and one another. They represent the fundamental values upon which CenturyLink is built and inform our CSR initiatives. Those principles are: Fairness, Honesty and Integrity, Commitment to Excellence, Positive Attitude, Respect, Faith and Perseverance.

Social and Environmental Highlights	
Diversity and Inclusion	Maintain a Diversity & Inclusion Steering Committee to shape and drive our overall diversity strategy Embrace diversity and create a culture of inclusion Implement proactive policies to encourage diversity in our recruiting and outreach initiatives Include supplier diversity as part of our overall program

- Pursue and evaluate diversity starting at the Board level; four of our 13 Directors are female, representing 31% of our Board

Community Involvement

- Strengthen the communities we serve through philanthropy, volunteerism and support of local community initiatives
- Encourage employee volunteerism with added support through the Matching Time Grants program
- Provide employees with a method for continual giving to charities they support
- Offer teachers and technology grants to pre-K to 12th grade teachers within our service areas, in support of STEM education
- Unite around our annual food drive to fight hunger as an issue critical to our communities

Ethics and Compliance

- Maintain a CenturyLink Code of Conduct that lays the foundation for our ethics and compliance program
- Create and maintain through training an ethical business culture based on our unifying principles
- Maintain a 24/7 Integrity Line with a firm no-retaliation policy
- Focus on human rights throughout our global locations
- Train and reinforce anti-bribery and fair competition principles; require all employees to adhere to all applicable anti-bribery and anti-corruption legislation worldwide

Environmental Sustainability

- Strive to build and operate energy-efficient networks and data centers
- Pursue sustainability initiatives that reduce energy, waste and materials consumption
- Engage our employees and suppliers in our sustainability efforts
- Establish and maintain sustainability metrics to measure and report on the results of our efforts

CORPORATE GOVERNANCE

Corporate Social Responsibility

CenturyLink s Environmental Sustainability Program

Managing our environmental impacts requires a thoughtful approach, balancing the needs of our employees, customers, shareholders and the environment. This balanced approach means ensuring environmental sustainability efforts support the financial health of our business, the quality of service we offer our customers and the value we create for our shareholders and our communities.

Some of our environmental initiatives and achievements include:

- Reducing our absolute carbon emissions and carbon intensity by purchasing renewable energy and investing in facility efficiency improvements and new technologies in our data centers and network facilities around the world.
- Improving energy efficiency by partnering with other service providers, as well as manufacturers of set-top boxes and small network equipment.
- Maintaining or expanding the number of company locations with third-party certified Energy, Environmental, and Safety Management Systems.

Political Contributions

We are committed to advocating public policy solutions that best serve our customers, our shareholders, our employees, and the communities we serve. We value transparency in this process and appreciate the need for disclosure of our political activity to promote ethical corporate governance and confidence in the democratic process. Our corporate political contributions and those of our political action committees are disclosed in accordance with applicable federal and state campaign finance laws, and our semi-annual Political Contributions Reports. To learn more, please see our most recent Political Contributions Report posted on the Public Policy section of our website at https://www.centurylink.com/aboutus/company- information/public-policy.html.

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RATIFICATION OF THE SELECTION OF THE INDEPENDENT AUDITOR

(Item 2 on Proxy or Voting Instruction Card)

The Audit Committee of the Board has appointed KPMG LLP as our independent auditor for the fiscal year ending December 31, 2019, and we are submitting that appointment to our shareholders for ratification on an advisory basis at the meeting. Although shareholder ratification of KPMG s appointment is not legally required, we are submitting this matter to the shareholders, as in the past, as a matter of good corporate practice. In determining whether to reappoint KPMG as our independent auditor, the Audit Committee considered a number of factors, including, among others, the firm s qualifications, industry expertise, prior performance, control procedures, proposed staffing and the reasonableness of its fees on an absolute basis and as compared with fees paid by comparable companies.

If the shareholders fail to vote on an advisory basis in favor of the appointment, the Audit Committee will reconsider whether to retain KPMG, and may appoint that firm or another without re-submitting the matter to the shareholders. Even if the shareholders ratify the appointment, the Audit Committee may, in its discretion, select a different independent auditor at any time during the year if it determines that such a change would be in the Company s best interests.

In connection with the audit of the 2019 financial statements, we entered into an engagement letter with KPMG which sets forth the terms by which KPMG will provide audit services to us. Any future disputes between KPMG and us under that letter will be subject to certain specified alternative dispute resolution procedures, none of which are intended to restrict the remedies that our shareholders might independently pursue against KPMG.

The following table lists the aggregate fees and costs billed to us by KPMG and its affiliates for the 2017 and 2018 services identified below:

	Amount Billed	
	2017	**2018**
Audit Fees(1)	$ 12,245,495	$ 15,229,014
Audit-Related Fees(2)	207,554	106,528
Tax Fees(3)	2,121,869	1,318,798
Other		
Total Fees	$ 14,574,918	$ 16,654,340

(1) Includes the cost of services rendered in connection with (i) auditing our annual consolidated financial statements, (ii) auditing our internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002, (iii) reviewing our quarterly financial statements, (iv) auditing the financial statements of several of our subsidiaries, (v) reviewing our registration statements and issuing related comfort letters, (vi) statutory audits for

certain of our foreign subsidiaries, and (vii) consultations regarding accounting standards. Additionally, the amounts billed in 2017 (i) include $702,000 for services rendered in connection with auditing separate carve-out financial statements related to divestiture-related transactions and (ii) exclude $3,515,000 of fees paid to KPMG by Level 3 prior to its acquisition by CenturyLink.

(2) Includes the cost of preparing agreed upon procedures reports and providing general accounting consulting services. Amounts billed in 2017 exclude $172,000 of fees paid to KPMG by Level 3 prior to its acquisition by CenturyLink.

(3) Includes costs associated with (i) general tax planning, consultation and compliance (which were approximately $900,000 in 2017 and $1,300,000 in 2018) and (ii) tax planning and consultation related to transactions and divestitures (which were approximately $1,200,000 in 2017).

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RATIFICATION OF THE SELECTION OF THE INDEPENDENT AUDITOR

(Item 2 on Proxy or Voting Instruction Card)

The Audit Committee maintains written procedures that require it to annually review and pre-approve the scope of all services to be performed by our independent auditor. This review includes an evaluation of whether the provision of non-audit services by our independent auditor is compatible with maintaining the auditor s independence in providing audit and audit-related services. The Committee s procedures prohibit the independent auditor from providing any non-audit services unless the service is permitted under applicable law and is pre-approved by the Audit Committee or its Chairman. The Chairman is authorized to pre-approve projects if the total anticipated cost of all projects pre-approved by him during any fiscal quarter does not exceed $250,000. The Audit Committee has pre-approved the Company s independent auditor to provide up to $75,000 per quarter of miscellaneous permitted tax services that

do not constitute discrete and separate projects. The Chairman and the Chief Financial Officer are required periodically to advise the full Committee of the scope and cost of services not pre-approved by the full Committee. Although applicable regulations waive these pre-approval requirements in certain limited circumstances, the Audit Committee did not use these waiver provisions in either 2017 or 2018.

KPMG has advised us that one or more of its partners will be present at the meeting. We understand that these representatives will be available to respond to appropriate questions and will have an opportunity to make a statement if they desire to do so.

Ratification of KPMG s appointment as our independent auditor for 2019 will require the affirmative vote of the holders of a majority of the votes cast on the proposal at the meeting.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE <u>FOR</u> THIS PROPOSAL.

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AUDIT COMMITTEE REPORT

Management is responsible for our internal controls and financial reporting process. Our independent auditor is responsible for performing an independent audit of our consolidated financial statements and the effectiveness of our internal control over financial reporting, and to issue reports thereon. As more fully described in its charter, the Audit Committee is responsible for assisting the Board in its general oversight of these processes and for appointing and overseeing the independent auditor, including reviewing their qualifications, independence and performance.

In this context, the Committee met and held discussions with management and our internal auditors and independent auditor for 2018, KPMG LLP. Management represented to the Committee that our consolidated financial statements were prepared in accordance with generally accepted U.S. accounting principles. The Committee reviewed and discussed with management and KPMG the consolidated financial statements, and management s report and KPMG s report and attestation on internal control over financial reporting in accordance with applicable law. The Committee also discussed with KPMG matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees.

Among other matters, over the course of the past year, the Committee also:

u reviewed the scope of and overall plans for the annual audit and the internal audit program, including a review of critical accounting policies, critical accounting estimates, and significant unusual transactions;

u reviewed a report by the independent auditor describing the independent auditor s internal quality control procedures;

u reviewed the performance of the lead engagement partner of our independent auditor;

u reviewed the findings of the Public Company Accounting Oversight Board concerning its review of our independent auditor s integrated audit of the consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017;

u reviewed and discussed each quarterly and annual earnings press release before issuance;

u received quarterly reports including the company s work regarding Internal Controls over Financial Reporting from the director of internal audit, and met with other members of the internal audit staff;

u received periodic reports pursuant to our policy for the submission of confidential communications from employees and others about accounting, internal controls and auditing matters, and conducted certain follow-up inquiries;

- amended and restated our disclosure controls and procedures in connection with assessing their effectiveness;

- received and evaluated a report concerning the Company s major financial risks along with the Company s mitigating actions;

- performed quarterly reviews of the Company s challenges concerning the implementation of the new revenue recognition standard and the appropriate internal controls related thereto;

- monitored the Company s work to finalize the booking of the purchase price accounting for the Level 3 transaction;

- received quarterly reports on the Company s work to prepare for the new lease accounting standard;

- received detailed analyses on the Company s accounting for income taxes, including the impacts of the new Federal tax law and the Company s accounting for pension assets and liabilities;

- received quarterly reports on the Company s work to convert the acquired Level 3 ERP system to the CenturyLink ERP system;

- discussed with KPMG what our Critical Accounting Matters would have been in 2018 if the new reporting model scheduled to go into effect next year had been in place this year;

- met quarterly in separate executive sessions, including private sessions with the Company s independent auditors, internal auditors and top executives;

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AUDIT COMMITTEE REPORT

- received a report with regard to any hiring of former employees of KPMG; and

- as discussed in greater detail under Corporate Governance Oversight of Risk Management, coordinated with other committees of the Board to oversee the Company s risk management function, especially with respect to financial reporting, tax and accounting risks.

KPMG also provided to the Committee the written disclosures required by the applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor s communications with audit committees concerning independence. The Committee discussed with KPMG that firm s independence, and considered the effects that the provision of non-audit services may have on KPMG s independence.

Based on and in reliance upon the reviews and discussions referred to above, and subject to the limitations on the role and responsibilities of the Committee referred to in its charter, the Committee recommended that the Board include the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2018.

In addition to the Company s corporate compliance program and hotline, the Audit Committee has established procedures for the receipt and evaluation, on a confidential basis, of any complaints or concerns regarding our accounting, auditing, financial reporting or related matters. To report such matters, please send written correspondence to Audit Committee Chair, c/o Post Office Box 4364, Monroe, Louisiana 71211.

Submitted by the Audit Committee of the Board of Directors.

W. Bruce Hanks (Chair)

Martha H. Bejar

Peter C. Brown

Kevin P. Chilton

T. Michael Glenn

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PROPOSAL TO AMEND OUR ARTICLES OF INCORPORATION TO INCREASE AUTHORIZED SHARES OF COMMON STOCK

(Item 3 on Proxy or Voting Instruction Card)

The Board has adopted, subject to shareholder approval, an amendment to our restated articles of incorporation to increase the number of shares of common stock authorized for issuance from

1,600,000,000 to 2,200,000,000. As of the record date, the Company had [ ] Common Shares issued and outstanding, and approximately [ ] Common Shares reserved for issuance.

Purpose for Adopting the Amendment

The Board believes that the increase in the number of authorized Common Shares is necessary to provide the Company with a sufficient number of authorized Common Shares available for general corporate purposes including, but not limited to: (i) issuing Common Shares to attract and retain employees and consultants and (ii) retaining the flexibility to pursue future potential strategic transactions requiring share issuances. Our reserve of authorized but unissued Common Shares was substantially reduced when we issued over 517 million shares in connection with acquiring Level 3 in late 2017. In addition, as discussed in

more detail in Ratification of the NOL Rights Plan below, we could potentially issue Common Shares in connection with the NOL Rights Plan under certain specified circumstances.

The Board believes that having such authorized Common Shares available for issuance in the future will give the Company greater flexibility and may allow such Common Shares to be issued without the expense and delay of an additional special meeting of shareholders unless such approval is expressly required by applicable law.

Effects

The terms of the additional Common Shares will be identical to those of the currently outstanding Common Shares and will not affect the relative voting power or equity interest of any shareholder, except for such effects as may be attendant to any future issuance of Common Shares. This amendment to increase the authorized Common Shares will not change the current number of issued Common Shares.

We do not have any current plans, proposals or arrangements, written or otherwise, to issue any of the additional authorized shares of common stock other than as disclosed in the Company s filings with the SEC, including potential issuance of Common Shares in connection with the NOL Rights Plan. However, we may decide to seek additional financing through equity or debt issuances to provide additional capital to sustain our operations. The issuance of any

shares of common stock, or securities convertible into common stock, in connection with any such financing, may dilute the proportionate ownership and voting power of existing shareholders and depress the market price of our common stock. Although the future issuance of additional Common Shares would dilute the relative ownership interests of existing shareholders, the Board believes that having the flexibility to issue additional shares in appropriate circumstances could increase the overall value of the Company to its shareholders.

No further shareholder approval would be required prior to the issuance of the additional shares of common stock authorized by the amendment except as may be required in particular cases by our articles of incorporation, the Louisiana Business Corporations Act or other applicable law, regulatory agencies or NYSE rules. There are no cumulative

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PROPOSAL TO AMEND OUR ARTICLES OF INCORPORATION TO INCREASE AUTHORIZED SHARES OF COMMON STOCK

Effects

voting, preemptive, subscription or conversion rights associated with our Common Shares, which means that current shareholders do not have a right to purchase any new issue of common stock, or securities that are convertible into common stock, in order to maintain their proportionate ownership interests in the Company.

Although this proposal to increase the authorized common stock has been prompted by business and financial considerations and not by the threat of any hostile takeover attempt, the additional shares of common stock that would become available for issuance if this proposed amendment is approved could also be used by us, subject to our fiduciary duties, to oppose a hostile takeover attempt or to delay or prevent changes in control.

If adopted, the amendment to our articles will become effective upon the filing of amended and restated articles of incorporation with the Secretary of State of the State of Louisiana, which we intend to do promptly after shareholder approval is obtained.

The description of the amendment to the articles of incorporation is qualified in its entirety by the complete text of the proposed amendment to our articles of incorporation set forth in *Appendix B*.

Approval of this proposal will require the affirmative vote of the holders of a majority of the votes entitled to be cast with respect to this matter.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THIS PROPOSAL.

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RATIFICATION OF THE NOL RIGHTS PLAN

(Item 4 on Proxy or Voting Instruction Card)

On February 13, 2019, the Company entered into a Section 382 Rights Agreement (the NOL Rights Plan). Pursuant to the NOL Rights Plan, the Board declared a dividend of one preferred share purchase right (each, a Right) for each outstanding share of common stock, par value $1.00, of the Company. The dividend was distributed to shareholders of record as of the close of business on February 25, 2019. At the meeting, the Board will seek the ratification by our shareholders of the NOL Rights Plan.

The Board adopted the NOL Rights Plan to diminish the risk that the Company could experience an ownership change as defined under Section 382 of the Internal Revenue Code of 1986, which could substantially limit the Company s ability to use its net operating loss carryovers (collectively, the NOLs) to reduce anticipated future tax liabilities. At December 31, 2018, we had $7.3 billion of NOLs available for use to offset our future federal taxable

income. Under the Code and the regulations promulgated thereunder by the U.S. Treasury Department, these NOLs may be carried forward in certain circumstances to offset any current and future taxable income and thus reduce federal income tax liability, subject to certain requirements and restrictions. While the amount and timing of the Company s future taxable income cannot be predicted with any certainty and, accordingly, the Company cannot predict the amount of these NOLs that will ultimately be used to reduce its income tax liability, to the extent that the NOLs do not otherwise become limited, these NOLs are a valuable asset to the Company. The NOL Rights Plan has not been adopted as an anti-takeover measure.

If our shareholders do not ratify the NOL Rights Plan at the meeting, by its terms the NOL Rights Plan will expire on February 13, 2020.

Description of the NOL Rights Plan

The NOL Rights Plan is intended to act as a deterrent to any person or group acquiring beneficial ownership of 4.9% or more of the Company s outstanding shares of common stock, without the approval of the Board. The following description of the NOL Rights Plan is qualified in its entirety by reference to the text of the NOL Rights Plan, which is attached to this Proxy Statement as *Appendix C*. We urge you to read the NOL Rights Plan carefully in its entirety as the discussion below is only a summary.

General. Under the NOL Rights Plan, from and after the record date of February 25, 2019, each of our Common Shares will carry with it one Right, until the earlier of the Distribution Date (as defined below) or expiration of the Rights, as described below. In general, any person that, together with all Affiliates and Associates (each as defined in the NOL Rights Plan), acquires 4.9% or more of our outstanding common stock after February 13, 2019, or entry into the NOL Rights Plan, will be subject to significant potential dilution. Shareholders who own 4.9% or more of the outstanding common stock as of the close of business on February 13, 2019, will not trigger the Rights so long as they do not (i) acquire

additional shares of common stock representing one-half of one percent (0.5%) or more of the Common Shares outstanding at the time of such acquisition or (ii) fall under 4.9% ownership of the Common Shares but then re-acquire Common Shares that in the aggregate equal 4.9% or more of the Common Shares. A person will not trigger the Rights solely as a result of any transaction that the Board determines, in its sole discretion, is an exempt transaction for purposes of triggering the Rights. STT Crossing Ltd. and its Affiliates and Associates will be exempt shareholders for the purposes of the NOL Rights Plan, unless and until STT Crossing (or any Affiliates of STT Crossing) acquires any common stock other than (x) in a transaction that is permitted under Section 4 of the Stockholder Rights Agreement, dated as of October 31, 2016, by and among the Company and STT Crossing Ltd. (the Shareholder Rights Agreement) or (y) any transfers of common stock or other Company equity interests between STT Crossing and its Affiliates. A person to whom STT Crossing transfers any amount of common stock pursuant to and as permitted by Section 4.2 of the Shareholder Rights Agreement will be exempt for purposes of the NOL Rights Plan,

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RATIFICATION OF THE NOL RIGHTS PLAN

Description of the NOL Rights Plan

unless and until such person (or any Affiliates or Associates of such person) acquires any additional common stock.

The Board may, in its sole discretion prior to the Distribution Date, exempt any person or group for purposes of the NOL Rights Plan if it determines the acquisition by such person or group will not jeopardize tax benefits or is otherwise in the Company s best interests. Any person that acquires shares of common stock in violation of these limitations is known as an Acquiring Person. Notwithstanding the foregoing, a Person shall not be an Acquiring Person if the Independent Directors (as defined in the NOL Rights Plan) determine at any time that a Person who would otherwise be an Acquiring Person, has become such without intending to become an Acquiring Person, and such Person divests as promptly as practicable (or within such period of time as the Independent Directors determine is reasonable) a sufficient number of shares of common stock of the Company so that such Person would no longer be an Acquiring Person, as defined pursuant to the NOL Rights Plan. The NOL Rights Plan is not expected to interfere with any merger or other business combination approved by our Board.

The Rights. From the record date of February 25, 2019, until the Distribution Date or earlier expiration of the Rights, the Rights will trade with, and will be inseparable from, the common stock. New Rights will also accompany any new shares of common stock that we issue after February 13, 2019, until the Distribution Date or earlier expiration of the Rights.

Exercise Price. Each Right will allow its holder to purchase from our Company one ten-thousandth of a share of Series CC Junior Participating Preferred Stock (NOL Preferred Share) for $28, subject to adjustment (the Exercise Price), once the Rights become exercisable. This fraction of a NOL Preferred Share will give the shareholder approximately the same dividend, voting, and liquidation rights as would one share of common stock. Prior to exercise, the Right does not give its holder any dividend, voting, or liquidation rights.

We refer to the date when the Rights become exercisable as the Distribution Date. Until that date or earlier expiration of the Rights, the common stock certificates will also evidence the Rights, and any transfer of shares of common stock will constitute a transfer of Rights. After that date, the Rights will

separate from the common stock and be evidenced by book-entry credits or by Rights certificates that we will mail to all eligible holders of common stock. Any Rights held by an Acquiring Person, or any Affiliates or Associates of the Acquiring Person, are void and may not be exercised.

Consequences of a Person or Group Becoming an Acquiring Person. If a person or group becomes an Acquiring Person, all holders of Rights except the Acquiring Person, or any Affiliates or Associates of the Acquiring Person, may, upon payment of the Exercise Price, purchase Common Shares with an aggregate market value of twice the Exercise Price, based on the current per share market price of the common stock (as defined in the NOL Rights Plan) on the date of the acquisition that resulted in such person or group becoming an Acquiring Person.

Exchange. After a person or group becomes an Acquiring Person, our Independent Directors in their sole discretion may extinguish the Rights by exchanging one share of common stock or an equivalent security for each Right, other than Rights held by the Acquiring Person or any Affiliates or Associates of the Acquiring Person.

Preferred Share Provisions. Each one ten-thousandth of a NOL Preferred Share, if issued:

- will not be redeemable.
- will entitle holders to dividends equal to the dividends, if any, paid on one share of common stock.
- will entitle holders upon liquidation either to receive $1.00 per share or an amount equal to the payment made on one share of common stock, whichever is greater.
- will vote together with the common stock as one class on all matters submitted to a vote of shareholders of the Company and will have the same voting power as one share of common stock, except as otherwise provided by law.
- will entitle holders to a per share payment equal to the payment made on one share of common stock, if shares of our common stock are exchanged via merger, consolidation, or a similar transaction.

Exercisability. The Rights will not be exercisable until 10 business days (as may be extended in the discretion of the Independent Directors) after the public announcement that a person or group has become an Acquiring Person unless the NOL Rights Plan is theretofore terminated or the Rights are theretofore redeemed (as described below).

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RATIFICATION OF THE NOL RIGHTS PLAN

Description of the NOL Rights Plan

Redemption. Our Board may redeem the Rights for $0.0001 per Right at any time before the Distribution Date. If our Board redeems any Rights, it must redeem all of the Rights. Once the Rights are redeemed, the only right of the holders of Rights will be to receive the redemption price of $0.0001 per Right. The redemption price will be adjusted if we have a stock split or stock dividends of our common stock.

Expiration. The Rights will expire on the earliest of (i) December 1, 2020, (ii) the time at which the Rights are redeemed, (iii) the time at which the Rights are exchanged, (iv) the time at which the Board determines that the Company s NOLs are utilized in all material respects or that an ownership change under Section 382 of the Code would not adversely impact in any material respect the time period in which the Company could use the NOLs, or materially impair the amount of the NOLs that could be used by the Company in any particular time period, for applicable tax purposes, (v) the first anniversary of the execution of the NOL Rights Plan

if approval of the NOL Rights Plan by the affirmative vote of a majority of the votes cast at a duly called meeting has not been obtained prior to such date, or (vi) a determination by the Board, prior to the Distribution Date, that the NOL Rights Plan and the Rights are no longer in the best interests of the Company and its shareholders.

Anti-Dilution Provisions. Our Board may adjust the Exercise Price, the number of NOL Preferred Shares issuable and the number of outstanding Rights to prevent dilution that may occur from a stock dividend, a stock split, or a reclassification of the NOL Preferred Shares or common stock.

Amendments. The terms of the NOL Rights Plan may be amended by our Board without the consent of the holders of the Rights. After the Distribution Date, our Board may not amend the agreement in a way that adversely affects holders of the Rights (other than an Acquiring Person, or an Affiliate or Associate of an Acquiring Person).

Certain Factors Shareholders Should Consider

Our Board believes that taking measures to safeguard the Company s NOLs is in our shareholders best interests. However, you should consider the factors below when making your decision with respect to the ratification of the NOL Rights Plan.

Continued Risk of Ownership Change. Although the NOL Rights Plan is a deterrent measure intended to reduce the likelihood of an ownership change, we cannot assure you that it will be effective. The amount by which an ownership interest may change in the future could be affected by many factors, including purchases and sales of shares by shareholders holding 5% or more of our outstanding common stock notwithstanding the deterrent effects of the NOL Rights Plan, decisions over which we have little or no effective control.

Anti-Takeover Effect. While the NOL Rights Plan is not intended to prevent, or even discourage, a

proposal to acquire the Company, it may have a potential anti-takeover effect because an Acquiring Person may have his ownership interest diluted upon the occurrence of a triggering event. Accordingly, the overall effects of the NOL Rights Plan may be to render more difficult or discourage a merger, tender offer, or assumption of control by a substantial holder of our securities. However, as is the case with traditional shareholder rights plans, the NOL Rights Plan should not interfere with any merger or other business combination approved by the Board.

Potential Impact on Value. The NOL Rights Plan could have a negative impact on the trading price and intrinsic value of our common stock by deterring persons or groups of persons from acquiring our common stock, including in acquisitions for which some shareholders might receive a premium above market value.

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RATIFICATION OF THE NOL RIGHTS PLAN

Certain Factors Shareholders Should Consider

Potential Effects on Liquidity. The NOL Rights Plan is intended to deter persons or groups of persons from acquiring beneficial ownership of our common stock in excess of the specified limitations. A shareholder s ability to dispose of our common stock may be limited if the NOL Rights Plan reduces the number of persons willing to acquire our common stock or the amount they are willing to acquire. A shareholder may become an Acquiring Person upon actions taken by persons related to, or affiliated with, them.

Shareholders are advised to carefully monitor their ownership of our common stock and consult their own legal advisors and/or us to determine whether their ownership of the shares approaches the proscribed level.

Approval of this proposal will require the affirmative vote of the holders of a majority of the votes cast on the proposal at the meeting.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THIS PROPOSAL.

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ADVISORY VOTE ON EXECUTIVE COMPENSATION

(Item 5 on Proxy or Voting Instruction Card)

Each year, we provide our shareholders the opportunity to vote on a non-binding, advisory resolution to approve the compensation of our named executive officers as disclosed in our annual proxy statements pursuant to the rules of the SEC.

Under our executive compensation programs, our named executive officers are rewarded for achieving specific annual and long-term goals, as well as increased shareholder value. We believe this structure aligns executive pay with our financial performance and the creation of sustainable shareholder value. The Compensation Committee of our Board continually reviews our executive compensation programs to ensure they achieve the goals of aligning our compensation with both current market practices and your interests as shareholders.

The last two years have been transformative ones in our Company s history, given the consummation of the Level 3 Combination and the ensuing senior leadership transitions, presenting us with unique compensatory challenges and opportunities. As discussed in greater detail elsewhere in this proxy statement, the Compensation Committee spent considerable time and effort during 2018 to ensure that not only do we have the right leadership in place, but that our executive compensation programs continue to appropriately incentivize and reward each key member of the team in a manner that aligns with shareholder interests. For additional information on our executive compensation programs generally and our 2018 compensation actions specifically, we urge you to read the Compensation Discussion and Analysis and Executive Compensation sections of this proxy statement.

At the meeting, we will ask you to vote, in an advisory manner, to approve the overall compensation of our named executive officers, as described in this proxy statement, including the Compensation Discussion and Analysis, the Summary Compensation Table and the other related tables and disclosures. This proposal, commonly known as a say-on-pay proposal, gives you the opportunity to express your views. This advisory vote is not intended to address any specific element of compensation, but rather relates to the overall compensation of our named executive officers and our executive compensation policies and practices as described in this proxy statement. Accordingly, your vote will not directly affect or otherwise limit any existing compensation or award arrangement of any of our named executive officers.

While this say-on-pay vote is advisory and will not be binding on our Company or the Board, it will provide valuable information for future use by our Compensation Committee regarding shareholder sentiment about our executive compensation. We understand that executive compensation is an important matter for our shareholders. Accordingly, we invite shareholders who wish to communicate with our Board on executive compensation or any other matters to contact us as provided under Corporate Governance Shareholder Engagement.

Approval of this proposal will require the affirmative vote of the holders of a majority of the votes cast on the proposal at the meeting.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR THIS PROPOSAL.

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OWNERSHIP OF OUR SECURITIES

Principal Shareholders

The following table sets forth information regarding ownership of our Common Shares by the persons known to us to have beneficially owned more than 5% of the outstanding Common Shares on December 31, 2018 (the investors), unless otherwise noted.

Name and Address	Amount and Nature of Beneficial Ownership of Common Shares(1)	Percent of Outstanding Common Shares(1)
Temasek Holdings (Private) Limited 60B Orchard Road #06-18 Tower 2 Singapore 238891	107,201,207(2)	9.9%
The Vanguard Group 100 Vanguard Blvd. Malvern, Pennsylvania 19355	106,032,787(3)	9.8%
Blackrock, Inc. 55 East 52nd Street New York, New York 10055	86,713,858(4)	8.0%
Southeastern Asset Management, Inc. 6410 Poplar Avenue, Suite 900 Memphis, Tennessee 38119	67,403,179(5)	6.2%

(1)

The figures and percentages in the table above have been determined in accordance with Rule 13d-3 of the SEC based upon information furnished by the investors, except that we have calculated the percentages in the table based on the actual number of Common Shares outstanding on the dates as to which the investors have reported their holdings (as noted in notes 2 through 5), as opposed to the estimated percentages set forth in the reports of such investors referred to below in such notes. In addition to Common Shares, we have outstanding Preferred Shares that vote together with the Common Shares as a single class on all matters. One or more persons beneficially own more than 5% of the Preferred Shares; however, the percentage of total voting power held by such persons is immaterial. For additional information regarding the Preferred Shares, see Frequently Asked Questions How many votes may I cast?

(2) Based on information contained in a Schedule 13D/A Report dated as of January 18, 2019 that this investor filed with the SEC. In this report, the investor indicated that, as of January 17, 2019, it shared with two of its subsidiaries voting power and dispositive power with respect to all of the above-listed shares.

(3) Based on information contained in a Schedule 13G/A Report dated as of February 11, 2019 that this investor filed with the SEC. In this report, the investor indicated that, as of December 31, 2018, it (i) held sole voting power with respect to 1,107,697 of these shares, (ii) shared voting power with respect to 207,398 of these shares, (iii) held sole dispositive power with respect to 104,739,697 of these shares and (iv) shared dispositive power with respect to 1,293,090 of the above-listed shares.

(4) Based on information contained in a Schedule 13G/A Report dated as of February 4, 2019 that this investor filed with the SEC. In this report, the investor indicated that, as of December 31, 2018, it held sole voting power with respect to 78,032,530 of these shares and sole dispositive power with respect to all of the above-listed shares.

(5) Based on information contained in a Schedule 13D Report dated as of February 19, 2019 that this investor filed with the SEC. In this report, the investor indicated that, as of February 14, 2019, it (i) shared voting power with respect to 40,347,155 shares, (ii) held sole voting power with respect to 23,527,706 of these shares, (iii) had no voting power with respect to 3,528,318 shares, (iv) shared dispositive power with respect to 34,532,370 shares and (v) held sole dispositive power with respect to 32,870,809 of the above-listed shares.

Executive Officers and Directors

The following table sets forth information, as of March 15, 2019, regarding the beneficial ownership of Common Shares by our executive officers and directors. Except as otherwise noted, all beneficially owned shares are held with sole voting and investment power and are not pledged to third parties.

Name	Components of Total Shares Beneficially Owned: Unrestricted Shares Beneficially Owned[1]	Unvested Restricted Stock[2]	Total Shares Beneficially Owned[3],[4]
Current Executive Officers:			
Jeffrey K. Storey	2,035,269	392,176	2,427,445
Indraneel Dev	135,888	304,836	440,724
Stacey W. Goff	172,664	404,725	577,389
Scott A. Trezise	22,045	208,470	230,515
Outside Directors:			
Martha H. Bejar	25,991	8,744	34,735
Virginia Boulet	43,140	8,744	51,884
Peter C. Brown[5]	30,179	8,744	38,923
Kevin P. Chilton	42,732	8,744	51,476
Steven T. Clontz[6]	244,089	8,744	252,833
T. Michael Glenn[7]	75,617	8,744	84,361
W. Bruce Hanks	58,722	8,744	67,466
Mary L. Landrieu	10,741	8,744	19,485
Harvey P. Perry[8]	104,462	8,744	113,206
Glen F. Post, III	979,540	359,259	1,338,799
Michael J. Roberts	40,512	8,744	49,256
Laurie A. Siegel	37,920	9,804	47,724
Former Executive Officers:			
Aamir Hussain	244,269	38,220	282,489
Sunit S. Patel[9]	682,842	0	682,842
All current executive officers and directors as a group (16 persons)[10]	4,059,511	1,766,710	5,826,221

(1) This column includes the following number of shares allocated to the individual s account under one of our qualified 401(k) plans: Mr. Storey 5,538; Mr. Dev 5,200; Mr. Goff 7,819; Mr. Trezise 3,531; Mr. Post 202,853; and Mr. Patel 9,209. Participants in these plans are entitled to direct the voting of their plan shares, as described in greater detail elsewhere herein.

(2) Reflects (i) for all shares listed, unvested shares of restricted stock over which the person holds sole voting power but no investment power, and (ii) with respect to our performance-based restricted stock granted to our executive officers, the number of shares that will vest if we attain target levels of performance.

(3) Excludes (i) shares that might be issued under restricted stock units if our performance exceeds target levels and (ii) phantom units held by Mr. Roberts that are payable in cash upon the termination of his service as a director, as described further under Director Compensation Other Benefits.

(4) None of the persons named in the table beneficially owns more than 1% of the outstanding Common Shares. The shares beneficially owned by all directors and executive officers as a group constituted 0.5% of the outstanding Common Shares as of March 15, 2019.

(5) Includes 24,297 shares held by a tax-exempt charitable foundation, as to which Mr. Brown has voting and dispositive powers by virtue of his control of the foundation.

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OWNERSHIP OF OUR SECURITIES

Executive Officers and Directors

(6) Includes 50,000 shares held by Mr. Clontz s wife and 500 shares held by his son, as to which Mr. Clontz disclaims beneficial ownership.

(7) Includes 32,143 shares held indirectly by Mr. Glenn in a trust.

(8) Includes 709 shares beneficially held by Mr. Perry s spouse, as to which Mr. Perry disclaims beneficial ownership, and 35,987 shares held by Mr. Perry through our dividend reinvestment plan (as of the most recent date practicable).

(9) Includes 1,428 shares indirectly held and beneficially owned by Mr. Patel in an individual retirement account.

(10) As described further in the notes above, includes (i) 24,297 shares held beneficially through a foundation, (ii) 32,143 shares held indirectly by trust, (iii) 50,709 shares held beneficially by spouses of these individuals, and 500 shares owned by the son of one of these individuals, in each case as to which beneficial ownership is disclaimed, and (iv) 53,634 shares held through our dividend reinvestment plan (as of the most recent date practicable), excluding 9,209 shares held through such plan by one of our executive officers who no longer participates in such plan.

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COMPENSATION DISCUSSION AND ANALYSIS

Introduction

As we noted in last year s proxy statement, our November 1, 2017 combination with Level 3 transformed our Company into the second largest domestic communications provider serving global enterprise customers. During 2018, as we moved into the integration phase of the Level 3 combination, we took critical steps to restructure our leadership team, network and workforce to pursue our vision of delivering the most technologically-advanced suite of communications products and services in the industry.

As described in greater detail below, during 2018, our Board and its Human Resources and Compensation Committee (the Committee) spent considerable time and effort assembling the right senior leadership team and recalibrating our existing executive compensation programs to support the challenges and opportunities of the Company going forward.

As a result of that process, we had a few senior leadership changes during 2018, including a change in both our Chief Executive Officer (CEO) and Chief Financial Officer (CFO) positions. Therefore, this 2018 Compensation Discussion and Analysis (the CD&A) addresses the compensation of both current and former executive officers. For 2018, we had seven named executive officers (NEOs), consisting of four current executives and three former executives:

Current Executives (or Current NEOs):	
Jeffrey K. Storey	*CEO and President*
Indraneel Dev	*Executive Vice President and CFO*
Stacey W. Goff	*Executive Vice President, General Counsel and Secretary*
Scott A. Trezise	*Executive Vice President, Human Resources*

Former Executives (or Former NEOs):	
Glen F. Post, III	*Former CEO, currently serving as a non-management director*
Sunit S. Patel	*Former CFO*
Aamir Hussain	*Former Executive Vice President*

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This CD&A section is organized onto four subsections:

I. Executive Summary

As described further below, the central goals of our executive compensation program are:

(1) to incentivize our executives to attain objectives that we believe will create shareholder value,

(2) to reward performance that contributes to the execution of our business strategies, and

(3) to attract and retain the right executives for our business.

2018 Highlights

Business Highlights. During 2018, we achieved and exceeded several significant financial and operational goals that the Committee had previously selected as short-term and equity compensation targets, including the following:

- Raised guidance outlook in second quarter of 2018 for Adjusted Earnings Before Interest Taxes Depreciation and Amortization (Adjusted EBITDA) and Free Cash Flow and achieved full year results that met and exceeded the raised guidance.

- Generated Adjusted EBITDA of $9.040 billion.

- Expanded Adjusted EBITDA margin to 39.8% from 35.5% since the close of the Level 3 Combination.

- Generated Free Cash Flow of $4.215 billion.

- Achieved targeted $850 million of annualized run-rate Adjusted EBITDA synergies in approximately one year, rather than 80% in three years as initially projected.

Executive Compensation Highlights. As described in greater detail below, given the transformative nature of the Level 3 Combination, our Board and the Committee spent considerable time and effort during 2018 ensuring that we have the right senior leadership team in place for the Company and that our executive compensation programs continue to appropriately incentivize, retain, and reward each key member of the team.

We believe that our 2018 compensation decisions are well aligned with driving long-term value and are in the best long-term interest of our shareholders. The following timeline provides an overview of the major executive transitions and compensation milestones that occurred during the year:

(1) Immediately after the Closing, the new senior leadership team for the combined company included the following named executive officers: Mr. Post as CEO, Mr. Storey as COO, Mr. Patel as CFO, Mr. Goff as General Counsel and Mr. Hussain as CTO. See 2018 proxy statement for additional details.

(2) For a discussion of the modifications of the executive compensation programs, see the discussion below under the heading, *Recalibrating Our Existing Executive Compensation Programs.*

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COMPENSATION DISCUSSION AND ANALYSIS

I. Executive Summary

(3) For details regarding Mr. Post s retirement package, which included amounts to which he was contractually entitled as well as the acceleration of (or waiver of continued service requirements for) certain outstanding restricted stock awards, see Section III Our Compensation Program Objectives and Components of Pay. For details regarding Mr. Storey s CEO compensation package, see the discussion below under the heading, *Accelerated CEO Succession*.

(4) For a discussion of the special long-term incentive (LTI) retention award for Mr. Patel, which, along with his other unvested equity awards, was forfeited upon his termination of employment, see the discussion below under the heading, *Other Executive Leadership Changes*.

(5) Mr. Dev was named CFO on November 6, 2018, having served in the role on an interim basis immediately following Mr. Patel s departure. For details regarding Mr. Dev s compensation package, see Section III Our Compensation Program Objectives and Components of Pay. For information regarding amounts paid to Mr. Hussain upon his termination of employment, which included amounts to which he was contractually entitled as well as the acceleration of (or waiver of continued service requirements for) certain outstanding restricted stock awards, please see the discussion below under the heading, *Other Executive Leadership Changes*.

(6) For details regarding the 2018 short-term incentive (STI) plan performance, see Section III Our Compensation Program Objectives and Components of Pay. For details regarding the payout on performance-based restricted stock (PBRS) from the 2016 annual LTI grants, see Section II Our Compensation Philosophy and Linkage to Pay for Performance. For details regarding the payout of Mr. Storey s initial PBRS grant, which was awarded to him at Closing in November 2017 (although it is reported in our 2018 compensation tables based on its accounting grant date), see the discussion below *Link Between Operating Performance and Our Executive Compensation.*

Recalibrating our Existing Executive Compensation Programs

Over a four-month period following the Closing, we conducted a rigorous process to recalibrate our existing executive compensation programs for 2018 to better align with the combined company s profile and our business strategy of profitable growth. As a result, for our 2018 incentive programs, performance is measured on Adjusted EBITDA, Free Cash Flow and customer experience (for our STI plan) and two-year Adjusted EBITDA growth run rate (for PBRS grants).

As previously described in our 2018 proxy statement, following the Closing, the Committee adopted a new compensation peer group, which better reflected the increased size and complexity of the combined company.

Our executive compensation programs for 2018 continued to be highly performance-based and emphasize variable at risk compensation. The majority of each named executive officer s total target compensation is structured as a combination of short- and long-term performance-driven incentives (which, for both our former and current CEO, represented 90% of his total target compensation).

Our annual LTI grants to our named executives consisted of a combination of performance-based awards (60% of the target grant value) and time-vested awards (40% of the target grant value). Most executive officers received their LTI grants in February 2018 as shares of restricted stock. As discussed in greater detail below, Mr. Storey s annual LTI grant was awarded to him as restricted stock units in May 2018.

Link Between Operating Performance and Our Executive Compensation

As in prior years, the Committee set challenging performance targets under our incentive programs to ensure that payouts track corporate performance.

For the first time since 2013, we met and exceeded our pre-established goals for our STI plan and our external guidance provided to shareholder, achieving an **adjusted company performance of 107%** for 2018. Specifically, we:

Met our target for Adjusted EBITDA, comprising 65% of our STI plan, at a 112% attainment level;

Exceeded our target for Free Cash Flow, comprising 25% of our STI plan, at a 200% attainment level; and

Partially met of our Customer Experience goals, comprising 10% of our STI plan, resulting in a 75% attainment level.

After an assessment of the Company s overall performance against our pre-established goals and consideration of revenue performance which was not a performance metric in our STI plan, the Committee determined it was appropriate to use its **discretion to reduce** the calculated performance for the 2018 STI plan from 130% to adjusted company performance of 107%.

PBRS accounted for 60% of the LTI awards originally granted to our named executives in 2016 and approximately 79% of the performance-based restricted shares vested based upon our actual performance over the three-year performance period ending December 31, 2018. Specifically, our:

Three-year cumulative revenue, comprising half the performance-shares, achieved 98.8% of target for a 82.4% payout; and

Three-year relative total shareholder return (TSR), comprising half the performance-shares, achieved 38th percentile for a 76.19% payout.

As initially described in our 2018 proxy statement, Mr. Storey received an initial LTI award upon Closing, 60% of which consisted of PBRS. Vesting of these PBRS was contingent upon our actual performance of Adjusted EBITDA growth run rate target of 3.8% (from fourth quarter of 2017 to fourth quarter of 2018) against certain pre-established targets. Actual performance over that period was 4.9%, which exceeded maximum target for a 200% payout. Although the Committee approved most of the terms and conditions of this award prior to Closing, the accounting grant date of this award did not occur until early 2018 when the targets were finalized, and therefore the grant of this award appears in the 2018 compensation tables of this proxy statement, rather than 2017 compensation tables in last year s proxy statement.

Accelerated CEO Succession

Following the announcement of our proposed combination with Level 3 in 2016, the Board conducted a thorough review of its succession plan, after carefully considering feedback provided by shareholders of both companies (including principal shareholders of each) and investment analysts.

In June 2017, the Board approved and we publicly announced a CEO succession plan in which Mr. Storey would succeed Mr. Post as CEO at the end of 2018, following a transition period as President and COO.

Following the Closing in late 2017, we continued to engage in a dialogue with our shareholders, several of whom expressed the view that the CEO transition period should be shorter than announced. Considering these factors and its own assessment of the effectiveness of the senior leadership team, the Board decided that it would be in the best interests of the Company and its shareholders to complete the CEO succession earlier than initially planned.

By March 2018, we announced that we were accelerating our previously-announced CEO succession plan by approximately 7 months, with the transition occurring immediately after our annual shareholders meeting on May 23, 2018. Following the meeting, Mr. Storey would be the new CEO and, contingent upon his reelection at the 2018 annual meeting, Mr. Post would continue to serve the Company as a non-management director. The accelerated timeline required a unique and thoughtful approach to addressing compensation actions with respect to our new CEO and our retiring CEO.

Mr. Post, who served as our CEO for 26 years and was employed by the Company for a total of 42 years, received the standard retirement benefits to which he was entitled under our long-standing programs and plans (including a pro-rata STI payout for 2018). Although he did not receive any severance, in consideration for his long tenure, the

Committee did approve the acceleration of most, but not all, of his outstanding time-based equity awards and waived the continued service requirements for a portion of his outstanding performance-based equity awards (vesting of which remains subject to achievement of the original performance conditions). For more information, please see Section III Our Compensation Program Objectives and Components of Pay for further discussion.

In connection with negotiating Mr. Storey s CEO compensation package, the Board and Committee endeavored to:

- create a package that would be, on the one hand, sufficient to entice Mr. Storey to agree to the accelerated succession plan and, on the other hand, aligned with our shareholders interests;

- weight the package heavily towards performance-based compensation; and

- complete the package in a timely manner to ensure a successful transition and to compensate Mr. Storey as CEO from the first day he assumed the role.

In crafting Mr. Storey s CEO package, we also listened to the opinions of our shareholders and analysts. These shareholders expressed the view that Mr. Storey possessed superior leadership skills and experience that merited pay that was competitive to the market benchmarks for our peer group. Although, historically, CenturyLink has been very conservative with respect to pay levels, we had to modify our approach in this instance in order to secure Mr. Storey as our new CEO and respond to shareholder feedback. Further, as noted previously, the Committee had adopted a new post-Level 3 Combination peer group to better reflect the increased size and complexity of our combined company, which resulted in increased CEO market benchmarks versus the prior peer group.

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In March 2018, we focused on the key principles and weighed shareholder feedback and our ongoing dialogue with Mr. Storey, as we began a robust and thoughtful process that involved numerous meetings that transpired over two months. In addition to multiple meetings between Mr. Storey and the Chair of the Committee, the non-management directors and the Committee formally met six times to discuss Mr. Storey s CEO pay package. The directors were advised by its independent outside compensation consultant, Meridian Compensation Partners, LLC (Meridian), and outside counsel, Jones Walker LLP.

In May 2018, in conjunction with his promotion to CEO, the Committee approved to increase Mr. Storey s annual total target compensation to $18 million and awarded him two LTI grants (one annual grant for 2018 and one special promotion grant), as described in greater detail below.

The approved annual total target compensation package of $18 million was comprised of $1.5 million salary, 200% short-term incentive opportunity and $12.6 million long-term incentive awards. His annual total target compensation is aligned with the long-term interest of our shareholders with 90% of pay at risk and slightly above the 50th percentile of market for our peers.

The structure of Mr. Storey s annual LTI grant is substantially similar to the annual LTI awards granted to other senior officers in 2018. His annual LTI grant consisted of 40% time-based restricted stock units (RSUs) and 60% performance-based RSUs, with the number of shares vesting ranging from 0-200% depending upon the Company s performance as measured against an Adjusted EBITDA run rate growth goal over a two-year period.

The second LTI grant was a one-time promotion award with a grant date value of $7,400,000, consisting of 40% time-vested restricted shares and 60% performance-based restricted shares. For the PBRS, payout is determined on a two-step process: (1) between 0% to 100% may be earned on the Company s cumulative Adjusted EBITDA results for a three-year period and (2) contingent upon target performance being met or exceeded in step 1, Mr. Storey may earn between 100% to 200% based on relative TSR performance over same three-year period against peer group.

Other Executive Leadership Changes

By the second quarter of 2018, we became concerned around the retention risk of Mr. Patel, who had only been our CFO since Closing in November 2017. In June 2018, the Committee granted Mr. Patel a one-time performance-based retention award with a grant date award value of $2,000,000. The performance metrics applicable to this retention award were substantially similar to those included in the performance-based portion of Mr. Storey s promotion grant (3-year cumulative Adjusted EBITDA targets and relative TSR performance).

Despite our efforts to retain Mr. Patel, on September 28, 2018, he resigned to pursue other opportunities. As a result, Mr. Patel forfeited all outstanding unvested equity grants (including the June 2018 retention grant). However, per his April 2017 offer letter, we continue to pay him certain deferred compensation payments related to legacy Level 3 equity awards that were outstanding and converted at the Closing. For additional details on these amounts, see Section III Our Compensation Program Objectives and Components of Pay.

Upon Mr. Patel s departure, Mr. Dev was named interim CFO until a longer-term replacement could be named. We did not make any adjustments to Mr. Dev s compensation upon his appointment as interim CFO.

With the assistance of an external executive search firm, we conducted an extensive search (both internally and externally) and Mr. Dev was named as CFO on November 6, 2018. For details regarding his compensation package, see Section III Our Compensation Program Objectives and Components of Pay for further discussion.

In November 2018, Aamir Hussain, who had served as Executive Vice President and Chief Technology Officer, departed from the Company as part of a planned restructuring of his responsibilities among other senior officers. Mr. Hussain received a standard severance package, including a cash severance payment, and certain other benefits to which he was entitled under long-standing programs and plans (including a pro-rata STI payout for 2018). In addition, the Committee approved the acceleration of some, but not all, of his outstanding time-based equity awards and waived the continued service requirements for a portion of his outstanding performance-based equity awards (vesting of which remains subject to achievement of the original performance conditions). Please see Section III Our Compensation Program Objectives and Components of Pay for further discussion.

Assessment of Say-on-Pay Voting Results and Shareholder Outreach

In May 2016, 2017 and 2018, our shareholders cast approximately 89%, 88% and 79%, respectively, of their votes in favor of our say-on-pay proposal. The Committee is committed to taking the results of these votes into consideration when making executive compensation decisions.

Throughout 2018, our senior management continued our shareholder outreach program with our top institutional investors, a process we first began in 2014. We remain committed to providing our shareholders with an opportunity for open dialogue on compensation matters and other issues relevant to our business, and we plan to continue to engage in outreach efforts in the future. In late 2018, the Chairman of our Board of Directors, the Chairman of the Committee, and members of management met with representatives from ISS and Glass Lewis to discuss the company s compensation programs and governance practices.

We believe that the positive say-on-pay vote of 79% in 2018, although reduced somewhat from prior years, indicates that our shareholders remain generally satisfied with the scope and structure of our annual executive compensation programs. However, we recognize that a source of some concern for shareholders, as expressed in the somewhat lower 2018 say-on-pay vote, has been our decisions to grant one-time awards as well as certain supplemental severance payments in connection with executive transitions in prior years.

In general, we do not have a practice of one-time items or excessive severance. However, in 2017 and in the first half of 2018, the Compensation Committee decided to make special grants to incentivize and retain the best executive team to lead the integration and transformation of the Company following the Level 3 Combination. In addition, as a result of the Level 3 Combination, we assumed certain retention awards originally granted by Level 3, many of which were paid out over a one-year period following the Closing in order to ensure continued employment of key executives through the critical integration period.

Many of these grants were disclosed in the 2018 proxy statement, with the remainder disclosed in this 2019 proxy statement. We believe that these one-time sign-on, integration, and retention awards are common in large transactions like the Level 3 Combination and, in our specific case, are necessary (i) to incentivize top talent of the acquired company to continue in key positions post-closing, (ii) to reward the level of effort that must be sustained over an extended period in order to execute a transaction of this size and critical post-close integration and synergy goals, and (iii) to retain critical members of the executive team and assuage their concerns following the announcement of our CEO and CFO succession plan.

We do not have a practice of excessive severance in the event that the senior officer is involuntarily terminated by us without cause in the absence of a change of control. Other than the unique situation disclosed in our 2018 proxy statement, the Committee has approved severance in accordance with our executive severance plan (which is described in greater detail under Other Benefits Severance Benefits below) for previous terminations, such as Mr. Douglas and Mrs. Puckett as disclosed in our 2018 and 2016 proxy statements, respectively, and for Mr. Hussain as discussed in this proxy statement.

As discussed in this CD&A, during 2018, we awarded a one-time promotion LTI grant to Mr. Storey upon his appointment as CEO, 60% of which is performance-based (see Section III, Our Compensation Program Objectives and Components of Pay). In addition, in an attempt to retain our CFO, who was being actively recruited by other companies, we awarded a one-time retention LTI grant to Mr. Patel, of which 100% was performance-based, although this award along with all of his other unvested LTI were ultimately forfeited following his resignation in 2018.

Notwithstanding our general disinclination to use one-time awards or make supplemental severance payments, we believe that the extraordinary opportunities and challenges associated with the Level 3 Combination necessitated these actions and were in the best long-term interest of the Company for all the reasons noted in this and our 2018 proxy statement. We believe that the use of special one-time awards in future years will diminish significantly as we have stabilized our leadership structure following the Level 3 Combination.

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II. Our Compensation Philosophy and Linkage to Pay for Performance

Our Compensation Philosophy

We compensate our senior management through a mix of programs designed to be market-competitive and fiscally responsible. More specifically, our executive compensation programs are designed to:

- provide an **appropriate mix of fixed and variable compensation** to attract, retain and motivate key executives,
- ensure that a majority of our executive compensation is **performance-based** to support **creation of long-term shareholder value** without encouraging excessive risk taking and to **reward performance over multiple time horizons**,
- generally target **compensation at the 50th percentile of market levels**, when targeted levels of performance are achieved, for similarly-situated and comparably-skilled executives at a select group of peer companies approved by the Committee,
- **recognize and reward** outstanding contributions and results, both on an individual basis and a company or divisional basis, compared to peer compensation and performance benchmark levels,
- **promote internal equity** by offering comparable pay to executives whom we expect to make roughly equivalent contributions, while differentiating executives compensation arrangements when appropriate, and
- **monitor share dilution**.

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Overview of Pay Elements and Linkage to Compensation Philosophy and Objectives

Given the ongoing integration of the two companies during 2018, the Committee recalibrated our incentive programs to align them with the size, market, operations and strategic imperatives of the combined company. The Committee believes the following core elements of our compensation program help us to realize our compensation philosophy and objectives and support our strategic and cultural priorities for 2018 as described below:

	Characteristics	Compensation Philosophy and Objectives	Corporate Strategy
Base Salary	Annual fixed cash compensation	Provides a competitive and stable component of income to our executives	Attract and retain key talent
Short-Term Incentive Bonus	Annual variable cash compensation based on the achievement of annual performance measures	Provides competitive short-term incentive opportunities for our executives to earn annual cash bonuses based on performance objectives that, if attained, can reasonably be expected to (i) promote our business and strategic objectives and (ii) correspond to those paid to similarly-situated and comparably skilled executives at peer companies	STI annual performance measures were selected to align to our corporate strategy for profitable growth: **Adjusted EBITDA** (65% of STI plan) - enables us to, among other things, (i) fund strategic capital investments designed to expand our business opportunities, (ii) return cash to our shareholders through dividends or periodic share repurchases, (iii) meet our debt and pension commitments, and (iv) attain our Level 3 Combination synergies **Free Cash Flow** (25% of STI plan) - critical measure that enable us to provide dividends to our shareholders and pay down our debt

			Customer Experience (10% of STI plan) - critical to maintain and grow our revenue base. This performance measure includes operational goals and metrics that measure how well we are serving our customers as well as their perceptions of our service **Individual Performance** - for each senior officer, the Committee has an opportunity to make a positive or negative adjustment based on line of sight to each senior officer s performance regarding their specific areas of responsibility and individual objectives
Long-Term Incentive Awards	Annual long-term variable equity awards that vest over three years from the date of grant with 60% based on the achievement measured against pre-established performance measures and 40% based on three years of service.	Fosters a culture of ownership, aligns the long-term interests of our executives with our shareholders and rewards or penalizes executives based on our performance of Adjusted EBITDA growth over two-year period and helps to retain executives through stock price growth and the creation of long-term value	**Performance-Based Restricted Shares** (60% of LTI grant value) - Adjusted EBITDA growth run rate based on achieving profitable growth over a two-year period **Time-Vested Restricted Shares** (40% of LTI grant value) - amount of time-vested restricted share compensation that is ultimately realized depends on how well we successfully execute our strategic plans and overall our stock performance

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The following chart illustrates the approximate allocation of the total target compensation opportunity for 2018 our current CEO and our current executive officers (shown as CEO and NEO, respectively, below) between elements that are fixed and variable or performance-based pay that is at risk :

- A fixed annual salary (base) represents 10% of our CEO s total target compensation and 19% of our other NEOs average target total compensation.

- Variable pay is comprised of a short-term incentive (STI) bonus, time-vested restricted stock awards (TBRS) and performance-based restricted stock awards (PBRS), which represents 90% of our CEO s total target compensation and 81% of our other current NEOs average target total compensation. This portion of pay is considered at risk since the receipt or value of the award is subject to the attainment of certain performance goals, vesting requirements and overall stock performance.

Significant Stock Ownership. Stock ownership guidelines further align the interests of executives and shareholders while focusing our executives on our long-term success. We established our executive stock ownership guidelines after review of executive compensation best practices. Under our stock ownership guidelines as of December 31, 2018:

- Mr. Storey held over $44 million in stock (including restricted shares and unvested restricted shares or units and excluding 400,655 target shares of unvested performance-based restricted stock units), which was 24.5 times his base salary and approximately 4.1 times greater than his target ownership level of six times base salary.

- Our other current NEOs held an aggregate of over $13 million in stock (including restricted shares and unvested restricted shares or units), which was, on average, 7.5 times their respective base salaries and nearly 2.5 times greater than their respective target ownership levels of three times base salary.

Even though our CEO and other NEOs already exceeded their stock ownership guidelines, in March 2019, Messrs. Storey and Dev acquired 83,000 and 50,000 shares, respectively, which demonstrates their alignment with shareholders.

Pay-For-Performance Alignment

As illustrated by the data below, we believe our executive pay over the past several years has been well aligned with Company performance.

Short-Term Incentive Performance. The Committee sets target levels of performance-based on a variety of factors, including its assessment of the difficulty of achieving such levels and the potential impact of such achievement on enhancing shareholder value.

The percentages in the table below represent the actual payouts to our senior officers under our STI program for each of the past three years as a percentage of the target opportunity set for each of them by the Committee for that performance year.

Performance Year	Actual Payout as a % of Target Opportunity
2016	80.2%
2017	73.0%
2018	107.0%
3-year Average	86.7%

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II. Our Compensation Philosophy and Linkage to Pay for Performance

Long-Term Incentive Performance. Since 2014, 60% of our LTI grants have consisted of performance-based equity with the remaining 40% in the form of time-based equity, with PBRS payouts contingent upon the Company s performance as measured against certain pre-established criteria. In order to further align our pay with performance, our performance-based equity awards are granted at target performance levels, but the ultimate payout of those awards can range between 0% to 200%, depending on our actual performance as determined at the end of the two- or three-year performance period. Due to the transformative nature of the Level 3 combination and the continuing evolution of our business strategy as we integrate the two companies, the Committee believed that a two-year performance period was most appropriate to achieve our business goals. The Committee intends to return to three-year performance period when we are no longer

in integration phase and we can solidly project performance for three years as a combined entity.

In 2014 through 2017, our annual grants of performance-based restricted stock were based on two different performance metrics, with vesting of one-half of the performance-based award being tied to a relative TSR metric (our three-year total shareholder return relative to a select peer group), and vesting of the remaining one-half being tied to a cumulative core revenue metric (the sum of our annual revenue results over three-year performance periods as measured against pre-established targets set annually over three-years). For greater detail on how targets and performance for these two performance metrics were determined, please see Long-Term Equity Incentive Compensation in our 2018 proxy statement.

The payout percentages in the tables below represent the percentage of the target number of performance-based restricted stock granted to our senior officers that ultimately vested, with all remaining shares being forfeited. To further enhance the pay for performance linkage, any dividends paid on these shares of performance-based restricted stock (or dividend equivalents on performance-based RSUs) are not paid currently, but rather accumulate during the restricted period and vest or are forfeited in tandem with the related shares or units. The average target number of performance-based restricted stock that ultimately vested for LTI grants from 2014 through 2016 (most recently completed performance period) is 62.3%.

LTI Grant Year, Performance Period and Performance Metric	Attainment Level for LTI Grant Year						Total Payout Percentage[1]
	2014	2015	2016	2017	2018	2019	
2014 LTI Grant (2014-2016)							
Cumulative Core Revenue		89.1%					44.6%
Relative TSR		50%					25.0%
Total							69.6%

2015 LTI Grant (2015-2017)					
Cumulative Core Revenue	76.2%				38.1%
Relative TSR	0%				0.0%
Total					38.1%
2016 LTI Grant (2016-2018)					
Cumulative Core Revenue		82.4%(2)			41.2%
Relative TSR		76.19%(3)			38.1%
Total					79.3%
2017 LTI Grant (2017-2019)					
Cumulative Core Revenue			TBD		TBD
Relative TSR			TBD		TBD
Total					TBD
2017 Special Grant for Mr. Storey) (2018)					
Adjusted EBITDA Growth Run Rate			200%(4)		200%
2018 LTI Grant (2018-2019)					
Adjusted EBITDA Growth Run Rate				TBD	TBD

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(1) The payout percentages reflect the corresponding payout for each metric multiplied by their weighting. In grant years 2014 through 2017, the two performance metrics of cumulative core revenue and relative TSR were equally weighted.

(2) The three-year performance period was completed on December 31, 2018 for the cumulative core revenue performance-based restricted stock granted to our senior officers in 2016. The table below outlines the payout percentages that represent the percentage of the target number of that ultimately vested, with all remaining shares being forfeited.

Cumulative Core Revenue	Target	Company s Performance	Actual Payout %
Maximum	$ 54.9 billion		
Target	$ 53.0 billion	$ 52.4 billion	82.4%
Threshold	$ 51.2 billion		

(3) The three-year performance period was completed on December 31, 2018 for the Relative TSR performance-based restricted stock granted to our senior officers in 2016. The table below outlines the payout percentages that represent the percentage of the target number of that ultimately vested, with all remaining shares being forfeited.

Relative TSR	Target	CTL TSR	Actual Payout %
Maximum	75th Percentile Rank		
Target	50th Percentile Rank	-14.24%; 38th Percentile Rank	76.19%
Threshold	25th Percentile Rank		

(4) The performance period was completed on December 31, 2018 for the Adjusted EBITDA growth run rate performance-based restricted stock granted to Mr. Storey in 2017. The table below outlines the payout percentages that represent the percentage of the target number of that ultimately vested.

Adjusted EBITDA Growth Run Rate	Target	Company s Performance	Actual Payout %
Maximum	4.6%		

Target	3.8%	4.8%	200%
Threshold	3.0%		

Stock Performance. As mentioned throughout this section, our LTI program is designed to align the interests of the executives with our shareholders and therefore reward and incent superior performance. Since these awards are grants of restricted stock or RSUs (representing the right to receive shares of stock in the future), the actual value of our LTI awards (both time-vested and performance-based) fluctuates with the change in stock price. In making LTI grants, our Committee typically approves a target LTI value and the actual number of shares or units in each grant is determined by dividing that target value by the volume-weighted average closing price of a share of our common stock over the 15-trading-day period ending five trading days prior to the grant date (VWAP), rounding to the nearest whole share. The chart below reflects the VWAP used to calculate each of our 2016, 2017, and 2018 LTI grants, the closing share price on any vesting dates that have occurred for each grant between the applicable grant date and the end of fiscal 2018, and the change in value of a share of our common stock from the grant date VWAP to the last trading day of fiscal 2018.

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Stock performance through December 31, 2018

Grant Date	Grant Date Value of a Share (VWAP)(1)	Closing Share Price on First Vesting Date(2)	Closing Share Price on Second Vesting Date(2)	Closing Share Price on 12/31/18(3)	Closing Share Price on 12/31/18 as a percentage of Grant Date Value (4)
02/23/16	$ 26.09	$ 24.71	$ 18.21	$ 15.15	-42%
02/21/17	$ 25.12	$ 17.90		$ 15.15	-40%
02/21/18	$ 17.29			$ 15.15	-12%

(1) As noted above, we determine the number of restricted shares or RSUs in a given LTI grant by dividing the LTI target value by the applicable VWAP (the volume-weighted average closing price of our shares of common stock over a 15-trading day period ending five trading days prior to the grant date) and rounding to the nearest share. This valuation method is different from the equity grant valuation method we are required to disclose in our Summary Compensation Table under applicable accounting and SEC disclosure rules.

(2) The vesting dates for the first two tranches of the February 2016 LTI grants have already occurred, as has the vesting date for the first tranche of the February 2017 LTI grants. This column represents the closing stock price on each of vesting dates, if applicable.

(3) Represents the closing price on the last trading day of fiscal 2018.

(4) Represents the stock performance (based on the change in value, but disregarding dividends) of the 2016, 2017 and 2018 LTI grants from the grant date through the end of fiscal 2018, determined by dividing the $15.15 closing price on the last day of trading in 2018 by the grant date VWAP.

Realizable Pay for our CEO. The chart below illustrates the realizable pay for our CEO, most of which was at risk variable compensation. We calculate realizable pay for a given year by adding together the (i) actual salary paid during the year, (ii) STI bonus that was ultimately paid out for performance during that year, (iii) the value of time- and performance-based LTI grants that vested during the year and (iv) the value of time- and performance-based LTI grants that are projected to vest based on actual performance through the end of the year. The value of the shares or units is based on the closing price of our common stock on the last business day of the year (all figures are in millions).

CEO Realizable Pay

Note:

Light Shade - Normal Course

Dark Shade - One Time Awards

For 2018, Normal Course includes Mr. Storey s salary, STI bonus, and other compensation as shown in the Summary Compensation Table, time- and performance-based LTI granted as part of his annual grant. One-time awards include the assumed Level 3 integration bonus that paid out in 2018, as well as both his time- and performance-based LTI granted as part of his promotion to CEO on May 23, 2018.

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Normal Course 2018

Comp Component	Target	Realizable
Base	$ 1.68	$ 1.68
STI	$ 3.22	$ 3.54
Annual LTI (TBRS)	$ 5.04	$ 4.05
Annual LTI (PBRS)	$ 7.56	$ 3.03
Other Comp	$ 0.07	$ 0.07
2018 Normal Course	**$ 17.57**	**$ 12.37**

One Time Items 2018

Comp Component	Target	Realizable
Final Installment Initial Signing Bonus	$ 3.30	$ 3.300
Level 3 Retention Bonus	$ 2.54	$ 2.540
5/24/18 CEO promotion grant (TBRS)	$ 2.96	$ 2.377
5/24/18 CEO promotion grant (PBRS)	$ 4.44	$ 6.417
2018 One -Time Items	**$ 13.24**	**$ 14.64**

Overall 2018	Target	Realizable	% of TGT
	$ 30.81	**$ 27.01**	**88%**

III. Our Compensation Program Objectives and Components of Pay

Our Compensation Practices

To assist us in achieving our broad compensation goals, we apply the following practices (many of which are described further elsewhere in this CD&A):

ü *What* *We Do...*	ü Focus on performance-based compensation weighted heavily towards long-term incentive awards ü Benchmark generally against 50th percentile peer compensation levels ü Maintain robust stock ownership guidelines applicable to our executive officers and outside directors ü Annually review our compensation programs to avoid encouraging excessively risky behavior ü Conduct annual say-on-pay votes ü Seek input annually from shareholders on our executive compensation program ü Maintain a compensation clawback policy ü Impose compensation forfeiture covenants broader than those mandated by law ü Review the composition of our peer groups at least annually ü Conduct independent and intensive performance reviews of our senior officers ü Cap the number of relative TSR performance-based shares that may vest if our own TSR is negative ü Review realizable pay of our senior officers and total compensation tally sheets ü Require shareholders to approve any future severance agreements valued at more than 2.99 times the executive s target cash compensation
× *What We Don t Do...*	× Maintain a supplemental executive retirement plan × Permit our directors or employees to hedge our stock, or our directors or senior officers to pledge our stock × Pay dividends on unvested restricted stock × Permit the Committee s compensation consultant to provide other services to CenturyLink × Pay, provide or permit: (i) *excessive perquisites*, (ii) *excise tax gross-up payments*, or (iii) *single-trigger change of control equity acceleration benefits*.

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COMPENSATION DISCUSSION AND ANALYSIS

III. Our Compensation Program Objectives and Components of Pay

Summary of 2018 Compensation for our Named Executive Officers

Historically, we have had considerable success in attracting and retaining talent with fiscally prudent market-based pay packages. As our Company continues to evolve into a leading technology company, the pool of individuals that we compete to hire has severely constricted, making recruitment more challenging. The individuals in that limited candidate pool, who have unique talents and expertise, are able to command much higher levels of compensation than what we have paid historically. The resignation of Mr. Patel (discussed earlier)

illustrates the intense competition for talent that we face.

The remaining sections outline why we believe the compensation packages awarded to our executives are in the best interests of our shareholders. For more information on how we determined specific pay levels in 2018, see further discussion under the heading Our Compensation Decision-Making Process and Use of Benchmarking Data Compensation Benchmarking in Subsection IV below.

As of December 31, 2018, the total target compensation for our named executive officers was as follows.

Total Target Compensation(1)						
Named Officer	Salary	STI Target Bonus Percentage	STI Target Bonus Opportunity	Total Target Cash	LTI Target(2)	Total Target Compensation
Current Executives:						
Jeffrey K. Storey	$ 1,800,011	200%	$ 3,600,022	$ 5,400,034	$ 12,600,000	$ 18,000,034(3)
Indraneel Dev	$ 650,000	120%	$ 780,000	$ 1,430,000	$ 2,700,000	$ 4,130,000(4)
Stacey W. Goff	$ 600,018	120%	$ 720,021	$ 1,320,039	$ 2,000,000	$ 3,320,039(5)
Scott A. Trezise	$ 475,010	80%	$ 380,008	$ 855,017	$ 700,000	$ 1,555,017(6)

(1) For more complete information presented in accordance with the SEC s rules, see the Summary Compensation Table appearing elsewhere herein.

(2)

The LTI target in this table represents the grant date fair value of the target levels of equity awards to be granted in 2019, which differ from amounts reported in the Summary Compensation Table, which are calculated in accordance with FASB ASC Topic 718.

(3) The Total Target Compensation for Mr. Storey is slightly above the 50th percentile of our compensation benchmarking data.

(4) The Total Target Compensation for Mr. Dev is between the 25th and 50th percentile of our compensation benchmarking data.

(5) The Total Target Compensation for Mr. Goff is near the 50th percentile of our compensation benchmarking data.

(6) The Total Target Compensation for Mr. Trezise is between the 25th and 50th percentile of our compensation benchmarking data.

Salary

General. Early each year, the Committee takes a number of steps in connection with setting annual salaries, including reviewing compensation tally sheets and benchmarking data, reviewing each senior officer s pay and performance relative to other senior officers, and considering when the officer last received a pay increase. More information on how we determined specific pay levels in 2018, see further discussion under the heading Our Compensation Decision-Making Process and Use of Benchmarking Data Compensation Benchmarking in Subsection IV below.

Annual Review Process (February 2018). During its annual review of executive compensation in February 2018, the Committee reviewed the compensation benchmarking data for each senior

officer, comparing the officer s pay to our peer group for the combined company. Following this review and discussion, the Committee did not change the target total compensation for any of our senior officers. See further discussion under the heading Use of Benchmarking Data Compensation Benchmarking in Subsection IV below.

Mid-Year Salary Adjustments. After its annual review process, the Committee updated the compensation benchmarking assessment to inform its decisions with respect to the mid-year compensation and base salary increases for Mr. Storey and Mr. Dev. Following the acceleration of our CEO succession plan, Mr. Storey was named CEO and President with an annual salary of $1,800,000 effective as of the promotion date of May 23, 2018.

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COMPENSATION DISCUSSION AND ANALYSIS

III. Our Compensation Program Objectives and Components of Pay

Mr. Dev, who was appointed to serve as Interim CFO upon Mr. Patel s departure on September 21, 2018, was named Executive Vice President and CFO with an annual base salary of $650,000 effective November 6, 2018.

Recent Actions (February 2019). In February 2019, the Committee reviewed the compensation benchmarking data for all executive officers and increased Mr. Trezise s annual salary to $500,011 and left unchanged the salary for our other NEOs. See further discussion under the heading Use of Benchmarking Data Compensation Benchmarking in Subsection IV below.

Short-Term Incentive Bonuses

General. With the assistance of its compensation consultant and management, the Committee approves STI bonus target percentages each year. Typically, in the first quarter of each year, with the assistance of management, the Committee evaluates our STI program and approves (i) the performance objectives for prospective bonuses, (ii) the threshold, target and maximum performance levels, (iii) the weighting of the performance objectives, (iv) the amount of bonus payable if the target level of performance is attained and (v) the finally determined amount of bonus payments attributable to performance for the prior year.

STI Performance Objectives and Target Setting Process. Each year, over the course of several meetings, the Committee reviews the alignment of our STI performance objectives with our business goals and objectives for the current year.

STI Performance Objectives. In February 2018, the Committee revised the STI performance objectives for our 2018 STI program, comprised of the below-listed financial and operational metrics, to better align with the corporate strategy.

Adjusted EBITDA. As used in our 2018 STI plan, adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) is a non-GAAP measure that excludes non-cash compensation and includes total STI bonus expense for eligible employees and approved payout level. Adjusted EBITDA is our largest financial performance objective, weighted at 65%, and, as noted further above, is critical to our 2018 corporate objective of focusing our operations on profitable growth.

Free Cash Flow. Free Cash Flow is a non-GAAP measure of net cash from operating activities less capital expenditures and before dividends. Free Cash Flow performance similarly aligns with our 2018 corporate objective of focusing on profitable growth.

Customer Experience. While we exceeded our Adjusted EBITDA target, this was mostly achieved through exceptional synergy achievements in 2018, of $850 million in the first year of integration, versus our target of achieving 80% of the $850 million over a three-year period, which overcame a decline in revenue of nearly $700 million in 2018 compared to pro forma 2017. Revenue growth was not a financial performance metric for our 2018 STI program but is important to our future and the Committee felt it was important to consider this and apply discretion.

Individual Performance Objectives. The Committee evaluates the degree to which each senior officer achieves their individual performance objectives, comprised of certain specific objectives and benchmarks, as well as qualitative assessments of each officer s performance during 2018 and reserves the right to increase or decrease the bonus payout level based on these assessments. Additional information about our views on discretionary adjustments is included below in this Subsection.

See the further discussion under the heading Overview of Pay Elements and Linkage to Compensation Philosophy and Objectives in Subsection II above, 2018 Performance Results and Calculation of Bonuses below.

STI Target Setting Process. Similar to prior years, in 2018, the Company employed a rigorous process to establish its budget, which directly supported the Company s strategic objectives and was the basis for developing the 2018 STI performance targets.

First, the annual budget was built up from business unit and department levels to create a consolidated corporate budget reviewed and approved by the Board and publicly-released financial guidance.

In February 2018, the Committee approved the previously-described STI performance objectives including threshold, target, and maximum performance levels derived from the Board-approved budget and external guidance. The Committee, in collaboration with our CEO, also approved the above-described guidelines designed to enable the

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Committee, in its discretion, to increase or decrease the bonus of each senior officer based on the officer s individual performance during 2018.

Upon completion of each fiscal year, our actual financial performance results may be adjusted up or down, as appropriate, in accordance with the Committee s long-standing guidelines that are designed to eliminate the effects of extraordinary or non-recurring transactions that were not known, anticipated or quantifiable on the date the performance goals were established. The Committee did not make any adjustments to our actual financial performance results for 2018.

2018 Performance Results and Calculation of Bonuses. During 2018, the Committee monitored

interim performance through quarterly updates to assess projected bonus payout levels. In February 2019, the Committee reviewed audited results of the Company s performance as compared to the financial performance targets established for 2018 and certified the achieved company performance composite score. As explained below, the Committee determined that the adjusted company performance was 107.0% of the target bonus opportunity for our named executives.

The table below illustrates the weighting of each performance objective, the target and achieved performance for 2018. For a more detailed description of our performance under each of the performance objectives, please see Calculation of Bonuses under this section

2018 STI Plan and Performance Results

Financial Performance Objectives (90% Weighting)				**Weighted Score Achieved 122.7%[(1)]**	
Financial Targets ($ in Millions)	**Threshold**	**Target**	**Maximum**	**Weighting**	**Achieved[(1)]**
Adjusted EBITDA	$7,924	$ 8,804	$ 9,684	65%	$ 9,040 111.8%
Free Cash Flow	$2,891	$ 3,212	$ 3,533	25%	$ 4,215 200.0%

Customer Experience Performance (10% Weighting)		**Weighted Score Achieved 7.5%[(1)]**	
Goals	**Performance**	**Weighting**	**Achieved[(2)]**
Customer Experience	- Our overall customer satisfaction is not at our desired level but the Committee concluded that we made positive progress in 2018. Based on these results, the Committee awarded 75% for the customer experience	10%	75.0%

	performance objective.	
2018 Company Performance Composite Score		**Achieved 130.2%** [1]
Committee Discretion on Performance	- After an assessment of the Company s performance for 2018, the Committee determined it was appropriate to apply across-the-board discretion to reduce the 2018 company composite score by 23.2% for all senior officers, resulting in an adjusted company performance payout of 107%	-23.2% [3]
2018 Adjusted Company Performance		**Payout 107%** [1]

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(1) The achieved payout percentage is calculated for each financial performance objective based on a corresponding payout scale. If the threshold performance level with respect to any particular financial performance objective under our STI program is not attained, the bonus payable to the participating officer with respect to that portion of his or her targeted bonus opportunity will be calculated as zero. If threshold performance is met on any particular metric, each participating officer will earn a reduced portion of his or her target bonus amount for that portion of the award. If the maximum performance level with respect to any particular metric is met or exceeded, each participating officer will earn 200% of his or her target bonus amount. Measurement of the attainment of any particular metric will be interpolated if actual performance is between (i) the threshold and the target performance levels or (ii) the target and the maximum performance levels.

(2) The achieved payout percentage is determined based on the Committee s qualitative review of certain criteria and performance metrics, as described under Customer Experience Performance below.

(3) The Committee s decision to exercise this discretion was based on its review of other criteria as described under Committee Discretion on Performance below.

Customer Experience Performance. Our overall customer satisfaction is not at our desired level and we fell short of our provisioning, customer satisfaction and service levels for our Business segment. However, we saw positive trends for our Consumer segment in 2018. Additionally, we completed several initiatives as part of our transformation that we believe will drive improved customer experience in future years, which included a refreshed global marketing campaign, the launch of Cloud Connect Dynamic Connections and self-service capabilities to expand the digital experience for our customers. As a result of these results, the Committee awarded 75% for the customer experience performance objective.

Committee Discretion on Company-Wide Performance. The Committee believes that exercising discretion (positive and negative) is an important supplemental component of our pay-for-performance philosophy, which is designed to reach balanced compensation decisions that are consistent with our strategy and reward our executives for both current year performance and sustained long-term value creation. By applying discretion, the Committee seeks to mitigate the risks associated with a rigid and strictly formulaic compensation program, which could unintentionally create incentives for our executives to focus only on certain performance metrics, encourage imprudent risk taking, and not provide the best results for shareholders. In addition, the use of discretion allows the Committee to respond to changes in economic conditions, our operating environment, and other significant factors that may affect the long-term performance of our business that are not directly reflected in the year s financial results. The use of discretion also allows the Committee to adjust compensation based on factors that would not be appropriately reflected by a strictly formulaic approach, such as reducing risk or championing company values. Notwithstanding the foregoing, the

Committee firmly believes that quantitative factors should play the central role in determining performance-based payouts, and that positive discretionary adjustments should be used sparingly.

For 2018, the Committee elected to use its discretion to reduce the actual payouts by 23.2%, after considering our company-wide performance for revenue and Free Cash Flow as described further below:

While we exceeded our Adjusted EBITDA target, by achieving the originally projected annualized run-rate Adjusted EBITDA synergy savings of $850 million related to the acquisition of Level 3 as of the end of 2018, which was approximately two years earlier than expected, we fell short of our internal expectations for revenue. Revenue was not a financial performance metric for our 2018 STI program, but is important to our future and the Committee felt it was important to consider this and apply discretion.

For similar reasons, we thought it appropriate to apply discretion regarding our Free Cash Flow performance. While our Free Cash Flow for 2018 was well in excess of our target, it also benefitted from strong synergy savings. In addition, in 2018, we achieved positive Free Cash Flow from lower capital expenditure spending and the benefit of the receipt of large tax refunds partially offset by incremental pension funding.

Discretionary Adjustment for Individual Performance. For 2018, the Committee elected to make individual performance adjustments for four of our named executive officers as discussed below.

The Committee discussed at great length the financial accomplishments achieved in 2018, including Adjusted EBITDA and Free Cash Flow results above raised guidance outlook and internal targets and placed emphasis on achieving targeted $850 million of annualized run-rate Adjusted EBITDA

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synergies in approximately one year, rather than 80% in three years as initially projected. As a result of these achievements, the Committee rewarded Mr. Storey with a 110% discretionary adjustment for his individual performance. Mr. Dev s leadership and fiscal oversight was pivotal to achievement of annualized run-rate Adjusted EBITDA synergy savings ahead of schedule, positive capital management and Free Cash Flow results above guidance. In consideration of these achievements, the Committee rewarded him with a 115% discretionary adjustment for individual performance. Mr. Goff exceeded expectations through the long-term corporate strategy for the Level 3 Combination as well as strong management of complex legal issues and the Committee rewarded him with a 110% discretionary adjustment for individual performance. Mr. Trezise exceeded expectations for the Human Resources related integration work, specifically the organization design and talent assessment process, integration and harmonization of compensation structure and programs, shaping the culture for the combined company and increasing employee

engagement. Based on these achievements, the Committee rewarded Mr. Trezise with a 115% discretionary adjustment for individual performance.

Calculation of Bonuses. For 2018, the STI bonuses paid to our named executives were calculated under a two-step process.

In step one, the Committee calculated the company performance composite score by weighting the company s achieved performance against the financial and operational performance objectives described in the table above. After our internal audit personnel have reviewed these determinations and calculations, they are provided in writing to the Committee for its review and approval.

In step two, the Committee authorized actual STI bonuses for our named executives, which were consistent with Committee approved company payout level, which includes discretion on performance and certain discretionary adjustments for individual performance as discussed above.

Actual STI Bonus Amounts Authorized. The actual amounts of the named executive officers 2018 bonuses were calculated as follows:

2018 STI Bonus Amounts							
Named Officer	Target Bonus Opportunity(1)	X	Adjusted Company Performance %(2)	X	Discretionary Adjustment for Individual Performance(3)	=	STI Bonus Amount
Current Executives:							

Jeffrey K. Storey	$ 3,220,707	107%	110%	$ 3,790,772
Indraneel Dev	356,300	107%	115%	438,427
Stacey W. Goff	720,021	107%	110%	847,465
Scott A. Trezise	380,008	107%	115%	467,600
Former Executives:				
Glen F. Post, III	857,021	107%	100%	917,012
Aamir Hussain	611,525	107%	100%	654,332
Sunit S. Patel	0			0

(1) Determined based on earned salary and applicable STI target bonus percentage during 2018 and includes pro-rations for any changes to salary and/or STI target bonus percentage described below.

a) Target Bonus Opportunity for Mr. Storey reflects his salary earned during 2018 with a salary increase, from $1,500,013 to $1,800,011, effective on May 23, 2018, and an increase of STI target bonus percentage from 175% to 200%, also effective on May 23, 2018.

b) Target Bonus Opportunity for Mr. Dev reflects his salary earned during 2018 with a salary increase, from $430,019 to $650,000, effective on November 6, 2018, and an increase of STI target bonus percentage from 65% to 120%, also effective on November 6, 2018.

c) Target Bonus Opportunity for Mr. Goff reflects his salary earned during 2018 of $600,018 and an STI target bonus percentage of 120%.

d) Target Bonus Opportunity for Mr. Trezise reflects his salary earned during 2018 of $475,010 and an STI target bonus percentage of 80%.

e) Target Bonus Opportunity for Mr. Post is the portion of his annual salary of $489,726 that he earned through his retirement date of May 23, 2018 and an STI target bonus percentage of 175%.

f) Target Bonus Opportunity for Mr. Hussain is the portion of his annual salary of $509,604 that he earned through his termination date of November 6, 2018 and an STI target bonus percentage of 120%.

g) Mr. Patel resigned on September 28, 2018 and therefore did not receive a 2018 STI bonus.

(2) Calculated or determined as discussed above under 2018 Performance Results.

(3) Determined based on achievement of individual performance objectives as described further above in this Subsection.

Committee Discretion to Pay in Cash or Shares. The Committee may authorize the payment of annual bonuses in cash or shares of common stock. Since 2000, the Committee has paid these bonuses entirely in cash, principally to diversify our compensation mix and to conserve shares in our equity plans.

Final Installments of Cash Bonuses Related to Level 3 Combination. As disclosed in our 2018 proxy statement, prior to the Closing, Level 3 implemented certain retention programs in order to address its own transaction-related incentive and retentive concerns. The majority of these awards were paid out by Level 3 upon Closing. However, at the Closing, we assumed any unpaid balances of those cash awards, which were to be paid out over the one-year period following the Closing, and for which payout was contingent on the executive s continued employment through the payment date. Specifically, each of Messrs. Storey, Dev, and Patel received payments in 2018 under this assumed retention bonus program (totaling $2,542,000, $227,027, and $1,214,500, respectively), although Mr. Patel forfeited an additional payment of $214,500 as he was not employed with us on November 1, 2018. In addition, in Mr. Storey s original offer letter, which was effective at the Closing, we agreed to pay him a cash signing bonus, with payment of one-half of that bonus deferred until the first anniversary of the Closing and contingent upon his continuous employment with us through that date. Under that arrangement, Mr. Storey received a cash payment of $3,300,000. All of these amounts are reported in the Bonus column of the Summary Compensation Table.

Recent Actions (February 2019). In connection with establishing targets for the 2019 STI program, the Committee increased Mr. Trezise s STI Target Bonus Percentage to 90% and made no changes to the target bonus percentage for any of our other NEOs and kept the same overall design and weighting of performance objectives as our 2018 STI plan.

Grants of Long-Term Incentive Compensation

General. Our long-term incentive compensation plans authorize the Committee to grant a variety of stock-based incentive awards to key personnel. We strive to provide equity compensation in forms that (1) create appropriate incentives to optimize performance at reasonable cost, (2) minimize enterprise risk, (3) align the interests of our officers and shareholders, (4) foster our long-term financial and strategic objectives and (5) are competitive with incentives offered by other companies.

For the last eleven years, the Committee has elected to grant all of our LTI awards in the form of restricted stock (and, in limited situations, in restricted stock units or RSUs) for a variety of reasons, including:

- the Committee s recognition of the prevalent use of restricted stock by our peers,
- the Committee s desire to minimize the dilution associated with our LTI awards, and
- the retentive value of restricted stock under varying market conditions.

Consistent with past practice, in February 2018, the Committee granted 60% of our senior officers target LTI in the form of performance-based shares of restricted stock, which is ultimately payable only if we attain certain specified goals. The remaining 40% of each of our senior officer s LTI award was granted in the form of time-vested shares of restricted stock, the value of which is dependent on our performance over an extended vesting period. Due to the unique vesting acceleration provisions of Mr. Storey s annual LTI awards, Mr. Storey received his 2018 annual LTI grant in the form of RSUs rather than shares of restricted stock.

Generally, our equity awards accelerate upon death and disability. The Committee has the discretion to accelerate outstanding equity awards following a retirement or not-for-cause termination. Following a change-in-control of the Company, outstanding equity awards would accelerate only after a double-

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trigger termination. As part of Mr. Storey s amended and restated offer letter, he is entitled to acceleration of certain awards, subject to certain length of service and notice period requirements. For more information, please see Potential Payments upon Termination or a Change of Control.

2018 Annual LTI Grants. On an annual basis, the Committee evaluates our LTI program and reviews the relevance of our performance benchmarks for alignment with our long-term strategic plan.

As a result of the transformative effects of the Level 3 Combination on the Company s long-term strategies, the Committee revised the performance benchmarks for our 2018 annual LTI grants from those used in prior years. The 2018 performance-based LTI grants are described in further detail below and under the heading Overview of Pay Elements and Linkage to Compensation Philosophy and Objectives in Subsection II above.

Our 2018 LTI program and grants for our senior officers consisted of 40% in time-vested restricted shares or RSUs and 60% in performance-based restricted shares or RSUs measured on an absolute Adjusted EBITDA growth run rate performance

benchmark, which is described in further detail below:

Performance Benchmark: Our benchmark is an absolute Adjusted EBITDA growth run rate target over the below-described two-year performance period. Adjusted EBITDA is defined as consolidated earnings before interest, taxes, and depreciation and amortization, applying the same adjustments that were approved in setting the target (which include the exclusion of integration and transaction costs, inclusion of synergy savings, exclusion of stock based compensation, adjustments to reflect a 100% bonus accrual for the given quarter, and adjustments to exclude one-time or non-recurring charges or credits), in each case defined in the same manner as the Company reported such amounts in its earnings release for the year ended December 31, 2017.

Performance Period: January 1, 2018 through December 31, 2019.

Performance Vesting: The ultimate number of our performance-based restricted shares or RSUs that vest will be based on our achievement of the absolute Adjusted EBITDA growth run rate target (measured from fourth quarter of 2017 to fourth quarter of 2019), as illustrated in the table below.

Performance Level	Adjusted EBITDA Growth Run Rate[(1)]	Payout as % of Target Award[(2)]
Maximum	³ 8.2%	200%

Target	6.8%	100%
Threshold	5.5%	50%
Below Threshold	< 5.5%	0%

(1) Determined by dividing (i) the Adjusted EBITDA actually attained for the fourth quarter of 2019 minus the Adjusted EBITDA actually attained for the fourth quarter of 2017 by (ii) the Adjusted EBITDA actually attained for the fourth quarter of 2017.

(2) Linear interpolation is used when our Adjusted EBITDA growth run rate performance is between the threshold, target and maximum amounts to determine the corresponding percentage of target award earned.

Vesting Dates: One-half of the restricted shares or RSUs earned under these performance-based LTI grants will vest on two-year anniversary of the grant date with the remainder vesting on three-year anniversary of the grant date, subject to continued employment through the applicable vesting date.

Except for Mr. Storey, the Committee granted annual LTI awards to our named executives in February 2018 at amounts substantially similar to the awards granted to them in 2017.

As previously disclosed, the Committee granted Mr. Storey s annual LTI award in May 2018 at an amount commensurate with market benchmarking for CEOs and on substantially the same terms as annual LTI awards to the rest of our senior officers. When we retained Mr. Storey on November 1, 2017 as our Chief Operating Officer, we granted him a sign-on LTI award (60% performance-based, 40% time-based) with the mutual expectation of next granting him an annual LTI award in 2019 after he assumed the CEO position on December 31, 2018 under our original CEO succession plan. When we accelerated our CEO succession plan by approximately seven months, however, the Committee determined that it was appropriate and, in the Company s best interest,

to incentivize Mr. Storey with an equity grant extending further into the future and with a comprehensive pay package commensurate with his expanded responsibilities.

In 2018, the Committee granted our named executives the following number of (i) restricted shares or RSUs that will vest over a three-year period principally in exchange for continued service (time-vested restricted shares or RSUs), (ii) performance-based restricted shares or RSUs that will vest in two equal installments on February 21 of each of 2020 and 2021 based on attainment during the period beginning on January 1, 2018 and ending on December 31, 2019 (the Performance Period) of an Adjusted EBITDA growth run rate of 6.8% (the Performance-Vested Shares or RSUs), as described further above:

	2018 Annual LTI Grants (Excluding Special Grants)				
	Time-vested Restricted Shares or RSUs		Performance-based Restricted Shares or RSUs		
Named Officer	No. of Shares(1)(3)	Fair Value(1)	No. of Shares(2)(3)	Fair Value(4)	Total Fair Value(4)
Current Executives:					
Jeffrey K. Storey(5)	267,103	$ 5,040,000	400,655	$ 7,560,000	$ 12,600,000
Indraneel Dev(6)	19,777	342,732	19,777	342,732	685,464
Stacey W. Goff	46,265	800,000	69,399	1,200,000	2,000,000
Scott A. Trezise	16,193	280,000	24,290	420,000	700,000
Former Executives:					
Glen F. Post, III(7)	196,629	3,400,000	294,945	5,100,000	8,500,000
Sunit. S. Patel(8)	69,398	1,200,000	104,099	1,800,000	3,000,000
Aamir Hussain(9)	62,458	360,000	93,689	810,000	2,700,000

(1) Represents the number of restricted shares or RSUs granted in 2018.

(2) As discussed further above, the actual number of shares that vest in the future may be lower or higher, depending on the level of performance achieved.

(3) Dividends on the shares of restricted stock (or, with respect to RSUs, dividend equivalents) will not be paid currently, but will accrue and vest or be forfeited in tandem with the related shares or RSUs.

(4) For purposes of these grants, we determined both the number of time-vested and performance-based restricted shares or RSUs by dividing the total fair value granted to the executive by the volume-weighted average closing price of a share of our common stock over the 15-trading-day period ending five trading days prior to the grant date (VWAP), rounding to the nearest whole share. However, as noted previously, for purposes of reporting these awards in the Summary Compensation Table, our shares of time-vested restricted stock or RSUs are valued based on the closing price of our common stock on the date of grant and our shares of performance-based restricted stock or RSUs are valued as of the grant date based on probable outcomes, as required by applicable accounting and SEC disclosure rules. See footnote 2 to the Summary Compensation Table for more information.

(5) Mr. Storey s annual grant was in the form of RSUs.

(6) Mr. Dev s grant value based on his role prior to assuming CFO, and he received his fair value in 50% time-vested and 50% performance-based restricted shares, consistent with other participants at that executive level (compared to 40% and 60% respectively for our senior officers).

(7) Mr. Post forfeited one-half of these restricted shares upon his retirement in May 2018.

(8) Mr. Patel forfeited all of these restricted shares upon his resignation in September 2018.

(9) Mr. Hussain forfeited all of these restricted shares upon his termination in November 2018.

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Recent Actions (February 2019). At its February 2019 meeting, the Committee granted LTI awards to our senior officers with the same mix of 60% performance-based and 40% time-vested restricted stock awards or RSUs and based on similar performance goal of Adjusted EBITDA growth run rate with a two-year performance period that will vest over three years. Mr. Dev s 2019 LTI target was increased to $2,700,000, as previously approved by the Committee upon his promotion to CFO in November 2018. The Committee reviewed the compensation benchmarking data for all executive officers and increased Mr. Trezise s LTI target to $800,000 and left unchanged the LTI target for our other NEOs. See further discussion under the heading Use of Benchmarking Data Compensation Benchmarking in Subsection IV below.

Special Grants

Performance-Based Portion of Initial LTI Grants Awarded in 2017. As disclosed in our 2018 proxy statement, we awarded each of Messrs. Storey and Patel certain LTI grants at the Closing (late 2017). However, the Committee did not finalize the terms and conditions of the performance-based portion of these awards until February 2018. Consequently, as the SEC disclosure rules on reporting compensation generally follow the accounting rules, the performance-based portion of those LTI grants were not reported as compensation in the Summary Compensation Table or any of the other compensation tables in last year s proxy statement but rather are reported as 2018 compensation in this proxy statement. Vesting of these initial grants to each of Messrs. Storey and Patel were contingent upon our performance as measured against an Adjusted EBITDA run rate target over a specified period (one year, for Mr. Storey, and two years, for Mr. Patel), with the number of shares earned ranging between 0-200% of target shares granted. Additional details regarding these awards was disclosed in our 2018 proxy statement.

With respect to the performance-based portion of Mr. Storey s initial LTI award, following the end of 2018, the Committee determined that our actual Adjusted EBITDA run rate was 4.8%, exceeding the maximum of 4.6%, and therefore this award would pay out at 200%. See further discussion under the heading, Long-Term Incentive Performance in Subsection II. With respect to Mr. Patel s initial LTI award, the entirety of it (both time- and performance-based portions) were forfeited upon his resignation

effective September 28, 2018. For more information, see Compensation Forfeited by our Former CFO below.

Promotion Grant for Mr. Storey. We believe that, in most cases, a new CEO has the greatest impact on a company during the first few years of his or her service. As such, our Board and Committee felt it was important to retain and adequately incentivize him during this critical period, in part through the use of a one-time promotion grant. The Committee also considered Mr. Storey s request for a promotion grant, recent on-boarding pay packages for other CEOs, and the views of certain shareholders about the critical importance of retaining Mr. Storey (summarized above in Subsection I). Based on these and other factors, the Committee concluded that it was in the Company s best interest to offer a promotion grant that was highly performance-based. See further discussion under the heading Overview of Pay Elements and Linkage to Compensation Philosophy and Objectives in Subsection II above.

In May 2018, the Committee approved a one-time promotion grant with a grant date value of $7,400,000, which consisted of 60% performance-vested restricted stock and 40% time-based restricted stock. Vesting of the PBRS shares is contingent upon achievement of a three-year cumulative Adjusted EBITDA target and relative total shareholder return (TSR) performance benchmark, each of which is described in further detail below:

Performance Benchmarks: As described further under performance vesting below, our two-step process utilizes two performance benchmarks in order to determine the ultimate payout.

Absolute Cumulative Adjusted EBITDA: Our first benchmark is an absolute cumulative Adjusted EBITDA target over the below-described three-year performance period, which is equal to the sum of three annual absolute Adjusted EBITDA targets separately established or to be established by the Committee during the first quarter of the years 2018, 2019 and 2020. Adjusted EBITDA is defined each year in a manner designed to correspond to our annual guidance as reported in our earnings release for consolidated earnings before interest, taxes, and depreciation and amortization, applying the same adjustments that were approved in setting the target (which include the exclusion of integration and transaction costs, inclusion of

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synergy savings, exclusion of stock based compensation, adjustments to reflect a 100% bonus accrual for the given quarter, and adjustments to exclude one-time or non-recurring charges or credits), in each case defined in the same manner as the Company reported such amounts in its earnings release for the year ended December 31, 2017.

Relative TSR: Our second benchmark is our percentile rank versus the Company TSR peer group. See further discussion under the heading Use of Benchmarking Data Performance Benchmarking in Subsection IV below.

Performance Period: January 1, 2018 through December 31, 2020.

Performance Vesting: The ultimate number of our performance-based restricted shares that vest will be determined on a two-step payout calculation, with the ultimate payout ranging from 0-200% as illustrated in the table below:

Step 1 Absolute Cumulative Adjusted EBITDA:

From 0% to 100% of the target number of performance-based restricted shares may be earned based on cumulative Adjusted EBITDA for the three-year performance period.

Step 2 Relative TSR:

Provided that the cumulative Adjusted EBITDA target is met or exceeded, Mr. Storey has an opportunity to earn between 100% to 200% of the target number of performance-based restricted shares based on CenturyLink s TSR performance for the three-year performance period relative to the Company TSR peer group. No additional incremental payout under Step 2 is possible unless (1) the cumulative Adjusted EBITDA target is met or exceeded and (2) CenturyLink s TSR performance exceeds the 50th percentile.

Vesting Dates: The ultimate number of our performance-based restricted shares will vest in full on the three-year anniversary of the grant date, subject to Mr. Storey s continued employment through such date, although vesting will accelerate upon certain specified terminations of employment.

Performance Achievement Level	Step 1:	Step 2: Relative TSR Performance	Payout as % of Target Number of

	Absolute Cumulative Adjusted EBITDA Performance		Performance-Based Restricted Shares (1)
Maximum	N/A	75th Percentile	200%
Stretch	N/A	63rd Percentile	152%
Slightly Above Target	N/A	51st Percentile	104%
Target	Target Amount(2)	N/A	100%
Threshold	Threshold Amount	N/A	50%
Below Threshold	< Threshold	N/A	0%

(1) Payouts interpolated between defined performance levels / minimum, target and maximum levels.

(2) To further align this grant with our shareholders best interests, we set the annual absolute Adjusted EBITDA targets at 99% of the mid-point of our publicly disclosed guidance range for each year.

Special Award for Mr. Patel. As a highly-negotiated component of the Level 3 Combination, Mr. Patel replaced Mr. Ewing as our CFO effective November 1, 2017. For further information, see our 2018 proxy statement.

Mr. Patel is a highly-regarded CFO who was periodically recruited by other companies. In early 2018, the Company became concerned that he was

a retention risk. In June 2018, the Committee, in consultation with members of management, other members of the Board, and its compensation consultant, took two compensation actions to address this retention concern:

First, the Committee approved an increase to his LTI target from $3,000,000 to $4,000,000, effective in 2019 as part of his next annual LTI grant.

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Second, in order to further align Mr. Patel s interests with those of our shareholders and incentivize him during this critical integration period, the Committee awarded him a special LTI grant with a grant date value of $2,000,000, all of which was performance-based, using the same incentive design as Mr. Storey s promotion award (see Promotion Grant for Mr. Storey section).

Despite our best efforts, in September 2018, Mr. Patel resigned to pursue other opportunities.

Upon his resignation, Mr. Patel forfeited this $2,000,000 retention award, his 2018 annual LTI grant (which had a grant date value of $3,000,000), and all other unvested LTI grants. In addition, he did not receive any STI bonus for 2018. However, under the terms of his April 2017 offer letter, Mr. Patel is entitled to receive certain deferred compensation payments related to legacy Level 3 equity awards that were outstanding and converted at the Closing. For more information, please see further discussion Deferred Compensation .

CEO Top Talent Award for Mr. Dev. In August of 2018, the Committee granted a limited number of performance-based equity awards to retain certain key employees (non-Senior Officers) who are essential to executing our long-term strategy. Prior to his appointment as an executive officer, Mr. Dev received one of these special performance-based equity awards. This award is divided into two equal tranches, with payout under each tranche ranging from 0 to 200% depending upon our achievement against a two-year Adjusted EBITDA run rate target. The first tranche is defined and calculated in the same manner as the performance-based portion of our 2018 annual grants and the performance period covers fiscal years 2018 and 2019, while the second tranche is defined in the same manner as the performance-based portion of our 2019 annual grants and covers fiscal years 2019 and 2020. In addition to the performance condition, the employee must be continuously employed with us through the applicable vesting date (February 28, 2020 for the first tranche and August 7, 2021 for the second tranche).

			Special LTI Grants				
			Time-vested Restricted Shares		Performance-based Restricted Shares		
Named Officer	Award Date	Accounting Grant Date	No. of Shares(1)(2)	Fair Value(3)	No. of Shares(4)(2)	Fair Value(3)	Total Fair Value(3)
Current Executive:							
Jeffrey K. Storey							
Initial PBRS Grant(5)	11/1/2017	2/21/2018			325,554	$ 6,281,400	$ 6,281,400
CEO Promotion Grant	5/24/2018	5/24/2018	156,870	$ 2,960,000	235,306	4,440,000	7,400,000
Indraneel Dev(6)	8/7/2018	8/7/2018			45,063	860,038	860,038
Former Executive:							
Sunit. S. Patel							
Initial PBRS Grant(5)	11/1/2017	2/21/2018			38,871	750,000	750,000
Special Retention Grant	6/1/2018	6/1/2018			104,976	2,000,000	2,000,000

(1) Represents the number of restricted shares granted in 2018 pursuant to special grants.

(2) Dividends on the shares of restricted stock will not be paid currently, but will accrue and vest or be forfeited in tandem with the related shares.

(3) For purposes of these grants, we determined both the number of time-vested and performance-based restricted shares by dividing the total fair value granted to the executive by the volume-weighted average closing price of a share of our common stock over the 15-trading-day period ending five trading days prior to the grant date (VWAP), rounding to the nearest whole share. However, as noted previously, for purposes of reporting these awards in the Summary Compensation Table, our shares of time-vested restricted stock are valued based on the closing price of our common stock on the date of grant and our shares of performance-based restricted stock are valued as of the grant date based on probable outcomes, as required by applicable accounting and SEC disclosure rules. See footnote 2 to the Summary Compensation Table for more information. Mr. Patel forfeited all of these restricted shares upon his resignation in September 2018.

(4) Represents the number of restricted shares granted in 2018 pursuant to special grants. As discussed further above, the actual number of shares that vest in the future may range between 0-200%, depending on the level of performance achieved.

(5) As disclosed above and in our 2018 proxy statement, these grants were part of the officer s initial LTI grant at the Closing but were not reported as 2017 compensation given that the accounting grant date did not occur until early 2018. With respect to Mr. Patel s award, all of these shares were forfeited upon his resignation in September 2018.

(6) As noted above, this equity award was granted to Mr. Dev prior to his appointment as an executive officer.

These special LTI grants are reported in the Summary Compensation Table under the column Stock Awards and also in the Grant of Plan-Based Awards Table.

Retirement Compensation Paid to our Former CEO

In connection with the previously discussed accelerated timing of our CEO succession plan and announcement of Mr. Post s decision to retire at the shareholders meeting on May 23, 2018, the Committee s objective for Mr. Post s retirement was to base his retirement pay package principally upon contractually-committed retirement payments. However, the Committee also felt it necessary to also recognize the benefits of Mr. Post s agreement to voluntarily retire ahead of schedule and his critical role in transforming CenturyLink from a small rural local exchange telephone company into an internationally-recognized communications company over his total of 42 years of service.

To that end, the Committee approved certain changes to his outstanding equity awards. Specifically, vesting of all outstanding time-based restricted shares granted to Mr. Post before 2018 and one-half of such shares granted to him in fiscal 2018 accelerated as of his retirement date, with the remaining one-half of his fiscal 2018 time-based restricted shares forfeited as of the same date. In addition, Mr. Post was permitted to retain all outstanding performance-based restricted shares granted to him prior to 2018 and one-half of such shares granted to him in fiscal 2018, all of which remain subject to their original performance conditions. The remaining one-half of Mr. Post s fiscal 2018 performance-based restricted shares was forfeited as of his retirement date. Finally, with respect to the equity portion of the special integration award granted to Mr. Post in June 2017, the Committee approved a 100% payout of those shares, which vested on Mr. Post s retirement date.

In addition to the compensation Mr. Post earned while an employee and amounts or broad-based retention benefits paid or payable to him under our existing programs, under the terms of our STI program, he was entitled to a pro-rated annual bonus for 2018 based on actual performance. As this was a voluntary retirement, Mr. Post did not receive any severance benefits following his separation of service from the Company on May 23, 2018.

As he was re-elected as a director of the Company at the 2018 annual meeting, Mr. Post began to receive compensation as a non-employee director as of that date, including an annual director equity grant. For more information regarding our director compensation program, please see the section entitled Director Compensation.

Compensation Paid to our Former CTO

As previously disclosed, Mr. Hussain was involuntarily terminated on November 6, 2018. Mr. Hussain earned compensation and broad-based benefits while an employee and he was entitled to certain compensation and benefits payable to him under our existing programs. The Committee determined that he qualified for payments under our executive severance plan (which is described in greater detail under Other Benefits Severance Benefits below), of which 52 weeks of severance benefits was contractually due to Mr. Hussain ($1,320,039). Pursuant to the terms of our STI program, Mr. Hussain earned a pro-rated annual bonus for 2018 based on actual performance and per the terms of previously-disclosed restricted share award agreement, Mr. Hussain received the automatic acceleration of certain special equity awards granted to him on June 1, 2017. As such, these amounts are reflected in the Summary Compensation Table.

The Committee approved certain adjustments to some, but not all, of Mr. Hussain s outstanding annual equity awards. Specifically, the Committee accelerated vesting of the shares of time-vested restricted stock granted to Mr. Hussain during fiscal 2016 and 2017 (a total of 27,720 shares) effective as of November 6, 2018. With respect to his 86,518 outstanding shares of performance-based restricted stock granted to him in fiscal 2016 and 2017, Mr. Hussain will continue to hold those awards subject to their original performance conditions. As noted above under this section Grants of Long-Term Incentive Compensation 2018 Annual LTI Grants the shares of time-vested and performance-based restricted stock granted to him in February 2018 were forfeited upon his departure. Mr. Hussain signed an agreement to waive any claims against us and refrain from competing against us for a year.

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COMPENSATION DISCUSSION AND ANALYSIS

III. Our Compensation Program Objectives and Components of Pay

Compensation Forfeited by our Former CFO

Upon Mr. Patel s resignation on September 28, 2018, pursuant to the terms of our compensation plans and restricted stock award agreements, Mr. Patel forfeited all unvested LTI (521,098 shares), including his initial LTI grants (both time- and performance-based portions), 2018 annual LTI grant, and special retention grant. Mr. Patel also forfeited the balance of his retention bonus, originally granted by Level 3 and assumed by us in the Level 3 Combination, which was unearned as of the date of his resignation ($214,500). In addition, he was not eligible to receive an annual bonus under our 2018 STI program. Pursuant to the terms of Mr. Patel s April 2017 offer letter, he is entitled to certain deferred compensation payments in 2019 and 2020. See further discussion under Executive Compensation Deferred Compensation.

Other Benefits

As a final component of executive compensation, we provide a broad array of benefits designed to be competitive, in the aggregate, with similar benefits provided by our peers. We summarize these additional benefits below.

Retirement Plans. We maintain traditional broad-based qualified defined benefit and defined contribution retirement plans for our employees who meet certain eligibility requirements. With respect to these qualified plans, we maintain nonqualified plans that permit our officers to receive or defer supplemental amounts in excess of federally-imposed caps that limit the amount of benefits highly-

compensated employees are entitled to receive under qualified plans. Additional information regarding our retirement plans is provided in the tables and accompanying discussion included below under the heading Executive Compensation.

Change of Control Arrangements. We have agreed to provide cash and other severance benefits to each of our executive officers who is terminated under certain specified circumstances following a change of control of CenturyLink. If triggered, benefits under these change of control agreements include payment of (i) a lump sum cash severance payment equal to a multiple of the officer s annual cash compensation, (ii) the officer s annual bonus, based on actual performance and the portion of the year served, (iii) certain welfare benefits are continued for a limited period, and (iv) the value or benefit of any long-term equity incentive compensation, if and to the extent that the exercisability, vesting or payment thereof is accelerated or otherwise enhanced upon a change of control pursuant to the terms of any applicable long-term equity incentive compensation plan or agreement.

Under these agreements, change of control benefits are payable to our executive officers if within a certain specified period following a change in control (referred to as the protected period) the officer is terminated without cause or resigns with good reason, which is defined to include a diminution of responsibilities, an assignment of inappropriate duties, and a transfer of the officer exceeding 50 miles.

The table below shows (i) the length of the protected period afforded to officers following a change of control and (ii) the multiple of salary and bonus payment and years of welfare benefits to which officers will be entitled if change of control benefits become payable under our agreements and related policies:

	Protected Period	Multiple of Annual Cash Compensation	Years of Welfare Benefits
CEO	2 years	3 times	3 years
Other Executives	1.5 years	2 times	2 years
Other Officers	1 year	1 time	1 year

For more information on change of control arrangements applicable to our executives, including our rationale for providing these benefits, see Executive Compensation Potential Termination Payments Payments Made Upon a Change of Control. For information on change of control severance benefits payable to our junior officers and

managers, see Severance Benefits in the next subsection below.

Severance Benefits. Our executive severance plan provides cash severance payments equal to two years of total targeted cash compensation (defined as salary plus the targeted amount of annual

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incentive bonus) for our CEO or one year of total targeted cash compensation for any other senior officer in the event that the senior officer is involuntarily terminated by us without cause in the absence of a change of control.

Payments to senior officers terminated in connection with a change of control are separately governed by the change of control arrangements discussed immediately above under the heading Change of Control Arrangements.

Under our executive severance plan, subject to certain conditions and exclusions, more junior officers or managers receive certain specified cash payments and other benefits if they are either (i) involuntarily terminated without cause in the absence of a change of control or (ii) involuntarily terminated without cause or resign with good reason in connection with a change of control. Our full-time non-union employees not covered by our executive severance plan may, subject to certain conditions, be entitled to certain specified cash severance payments in connection with certain qualifying terminations.

Under a policy that we adopted in 2012, we are required to seek shareholder approval of any future senior executive severance agreements providing for cash payments, perquisites and accelerated health or welfare benefits with a value greater than 2.99 times the sum of the executive s base salary plus target bonus.

Level 3 Key Executive Severance Plan. CenturyLink assumed various benefit plans as part of the Level 3 Combination, including the Level 3 Key Executive Severance Plan (the KESP). The KESP will remain in effect through October 31, 2019 and certain employees who joined us in connection with the Level 3 Combination will continue to participate in it through that date. Once the KESP is no longer in effect, severance rights and benefits for current participants of KESP will be governed by CenturyLink s executive severance plan and change of control arrangements discussed above.

Mr. Dev is currently a participant in the KESP, which provides for the severance benefits described below upon a qualifying termination. In consideration for the severance benefits under the KESP, the executive officers are required to execute a release of claims and are subject to restrictive covenants concerning noncompetition and non-solicitation of employees,

customers and business partners, in each case for 24 months following his termination date.

Upon a qualifying termination, a KESP participant would be entitled to receive certain payments and benefits, including (i) a lump sum cash severance payment equal to a two times the sum of the participant s base salary and most recent target annual bonus, (ii) a pro-rated annual bonus for the year of termination, (iii) a lump sum cash payment equal the total of certain welfare benefit premium payments that the company would have been obliged to cover over a 24-month period, and (iv) reimbursement of up to $10,000 for the cost of outplacement services.

Life Insurance Benefits. We sponsor a long-standing supplemental life insurance premium reimbursement plan that has been closed to new participants for nearly a decade. Under this plan, three of our current or former senior officers hold supplemental life insurance policies for which we are obligated to pay the premiums. We paid no premiums to fund these benefits from 2012 to 2016, and therefore no premium reimbursement amounts were reported in the Summary Compensation Table for any of those years. Over the past several years, we began to assist our officers in converting older life insurance policies into newer, lower-cost policies. Most recently, in December 2016, we converted the last of these policies and were able to fix the cost of future annual premiums, resulting in reductions ranging from 33% to 91% from premiums paid in 2011. In 2017, the Committee approved the resumption of premium payments on behalf of our four grandfathered senior executives, and the Company paid premium for years 2016 and 2017. As such, the 2017 premium amount reflected in the Summary Compensation Table represents twice the annual premium cost paid in 2018 and future years. In consultation with the Committee, we plan to continue to evaluate other options to control the cost of providing these benefits to the three grandfathered plan participants.

Perquisites. Officers are entitled to be reimbursed for the cost of an annual physical examination, plus related travel expenses.

Our aircraft usage policy permits the CEO to use our aircraft for personal travel up to $250,000 per year in personal travel without reimbursing us, and permits each other executive officer to use our aircraft for personal travel only if he or she pays for cost in

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COMPENSATION DISCUSSION AND ANALYSIS

III. Our Compensation Program Objectives and Components of Pay

advance of flight. In all such cases, personal travel is permitted only if aircraft is available and not needed for superseding business purposes. Periodically, the Committee reviews the cost associated with the personal use of aircraft by senior management, and determines whether or not to alter our aircraft usage policy. In connection with electing to retain this policy, the Committee has determined that the policy (i) provides valuable and cost-effective benefits to our executives that reside or frequently travel into our corporate headquarters that is located in a small city with limited commercial airline service, (ii) enables our executives to travel in a manner that we believe is more expeditious than commercial airline service, and (iii) is being implemented responsibly by the executives.

For purposes of valuing and reporting the use of our aircraft, we determine the incremental cost of aircraft usage on an hourly basis, calculated in accordance with applicable guidelines of the SEC. The incremental cost of this usage, which may be substantially different than the cost as determined under alternative calculation methodologies, is reported in the Summary Compensation Table appearing below.

From time to time, we have scheduled one of our annual regular board meetings and related committee meetings over a multi-day period. These meetings are often held in an area where we conduct operations, and in such cases include site visits that enable our directors and senior officers to meet with local personnel. The spouses of our directors and executive officers are invited to attend these retreats, and we typically schedule recreational activities for those who are able and willing to participate.

For more information on the items under this heading, see the Summary Compensation Table appearing below.

Other Employee Benefits. We maintain certain broad-based employee welfare benefit plans in which the executive officers are generally permitted to participate on terms that are either substantially similar to those provided to all other participants or which provide our executives with enhanced benefits upon their death or disability.

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IV. Our Policies, Processes and Guidelines Related to Executive Compensation

Our Compensation Decision-Making Process

As described further below, the Committee, subject to the Board s oversight, establishes, evaluates and monitors our executive compensation programs. The compensation decision-making process includes input from the Committee s independent consultant, our CEO and other members of management, and involves a careful balancing of a wide range of factors, including, but not limited to, the following:

Compensation Decision-Making Considerations	Consultant	Input From CEO	Management
Structure and Elements of Pay Programs			
The competitive compensation practices of peer companies	ü		
Performance of our Company in relation to our peers and our internal goals			ü
The financial impact and risk characteristics of our compensation programs	ü	ü	
The strategic and financial imperatives of our business		ü	
Setting Competitive Compensation Pay Levels			
Market data regarding base salary, short-term incentive target, long-term incentive target and total target compensation paid to comparable executives at peer companies	ü		
The officer s scope of responsibility, industry experience, particular set of skills, vulnerability to job solicitations from competitors and anticipated degree of difficulty of replacing the officer with someone of comparable experience and skill	ü	ü	
The officer s pay and performance relative to other officers and employees		ü	
The officer s demonstrated leadership characteristics, ability to act as a growth agent within the company and ability to think strategically		ü	
Internal equity issues that could impact cohesion, teamwork or the overall viability of the executive group		ü	
The potential of these senior officers to assume different, additional or greater responsibilities in the future		ü	
The officer s realized and realizable compensation in recent years and, to a limited degree, his or her accumulated		ü	ü

wealth under our programs			
Pay for Performance			
Performance of our Company in relation to our peers and our key performance objectives	ü	ü	ü
The business performance under the officer s leadership and scope of responsibility		ü	
The officer s overall performance is assessed based on individual results, the role the officer plays in maintaining a cohesive management team and improving the performance of others, and the officer s relative strengths and weaknesses compared to the other senior officers		ü	ü
The role the officer may have played in any recent extraordinary corporate achievements		ü	ü

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IV. Our Policies, Processes and Guidelines Related to Executive Compensation

Role of Human Resources and Compensation Committee. Subject to the Board s oversight, the Committee establishes, evaluates and monitors our executive compensation programs and oversees our human resources strategies. Specifically, the Committee approves:

- the compensation payable to each executive officer, as well as any other senior officer;
- for our STI and performance-based LTI programs, (i) the performance objectives, (ii) the threshold, target and maximum threshold levels of performance, (iii) the weighting of the performance objectives, (iv) the amount of bonus payable or shares to vest if the target level of performance is attained and (v) the finally determined amount of cash bonus payments or fully-vested shares;
- the peer group for compensation benchmarking and the peer group for performance benchmarking; and
- a delegation of authority to the CEO for LTI grants to our non-senior officers.

Among other things, the Committee also establishes, implements, administers and monitors our director cash and equity compensation programs. For more information, see Director Compensation.

Role of Compensation Consultants. The Committee engages the services of a compensation consultant to assist in the design and review of executive compensation programs, to determine whether the Committee s philosophy and practices are reasonable and compatible with prevailing practices, and to provide guidance on specific compensation levels based on industry trends and practices.

The Committee has used Meridian as its compensation consultant since August 2015. During 2018, representatives of Meridian actively participated in the design and development of our executive compensation programs, assisted in the development of special non-recurring compensation grants and attended all of the Committee s meetings. Meridian provides no other services to the Company, and, to our knowledge, has no prior relationship with any of our named executive officers. As required by SEC rules and NYSE listing standards, the Committee has assessed the independence of Meridian and concluded that its work has not raised any conflicts of interest.

Role of CEO and Management. Although the Compensation Committee is responsible for all

executive compensation decisions, each year it solicits and receives the CEO s recommendations, particularly with respect to senior officers salaries and performance in the key areas outlined above in Our Compensation Decision-Making Process.

Senior Officers. The CEO and the executive management team, in consultation with the compensation consultant, recommend to the Committee business goals to be used in establishing incentive compensation performance targets and awards for our senior officers. In addition, our Executive Vice President, Human Resources, works closely with the Committee and its compensation consultant to ensure that the Committee is provided with appropriate information to discharge its responsibilities.

Non-Senior Officers. The Committee oversees our processes and receives an annual report from the CEO on the compensation programs for our non-senior officers. The CEO, in consultation with the executive management team, is responsible for approval of:

- the total cash compensation paid to our non-senior officers; and
- all LTI awards to the non-senior officers, acting under authority delegated to him by the Committee in accordance with our shareholder-approved equity plans.

Timing of Long-Term Incentive Awards. The Committee typically makes annual LTI grants to executives during the first quarter after we publicly release our earnings. However, the Committee may defer grants for a variety of reasons, including to request additional information or conduct further reviews of management s performance. In addition, the Committee may grant special awards at different times during the year, when and as merited by the circumstances. LTI grants to newly-hired executive officers are typically made at the next regularly-scheduled Committee meeting following their hire date.

Tally Sheets. Each year, we compile lists of compensation data relating to each of our executives. These tally sheets include annual compensation data for each executive, including his or her salary, STI award, LTI award, and realizable pay. These tally sheets also contain performance highlights on results and behaviors for each of our executives. The Committee uses these tally sheets to (i) review the total annual compensation of the executive officers and (ii) ensure that the Committee has a comprehensive understanding of all elements of our compensation programs.

Risk Assessment. As part of its duties, the Committee assesses risks arising out of our employee compensation policies and practices. Based on its most recent assessment, the Committee does not believe that the risks arising from our compensation policies and practices are reasonably likely to materially adversely affect us. In reaching this determination, we have taken into account the risk exposures of our operations and the following design elements of our compensation programs and policies:

- our balance of annual and long-term compensation elements at the executive and management levels,
- our use in most years of a diverse mix of performance metrics that create incentives for management to attain goals well aligned with the shareholders interests,
- the multi-year vesting of LTI awards, which promotes focus on our long-term performance and mitigates the risk of undue focus on our short-term results,
- clawback policies and award caps that provide safeguards against inappropriate behavior, and
- bonus arrangements that generally permit either the Committee (for compensation payable to senior officers) or senior management (for compensation payable to other key employees) to exercise discretion to reduce the amount of certain incentive awards.

We believe these features, as well as the stock ownership requirements for our executive officers, result in a compensation program that aligns our executives interests with those of our shareholders and does not promote excessive risk-taking on the part of our executives or other employees.

Use of Benchmarking Data

General. Each year, with assistance from its consultant, the Committee reviews peer groups of other companies comparable to CenturyLink for purposes of assessing our comparative compensation and performance. We typically perform this analysis in the second half of each year in order to ensure the data remains well-suited for its intended purposes and uses during the upcoming year.

Compensation Benchmarking. The Committee, based on input from its compensation consultant, reviewed peer group and survey data in support of pay decisions for our senior officers in order to benchmark compensation levels for our executives against peer executives at companies that are comparable to ours based on revenue size, market cap, industry and business model.

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COMPENSATION DISCUSSION AND ANALYSIS

IV. Our Policies, Processes and Guidelines Related to Executive Compensation

For our named executive officers, our compensation consultant compiled the compensation data publicly disclosed by the companies included within the peer companies identified below. As noted in our 2018 proxy statement, we constructed in mid-2017 a revised 16-company peer group that reflected the increased size and sophistication of our operations in anticipation of the pending closing of the Level 3 Combination. The Committee used that same peer group in connection with its 2018 executive compensation decisions. Once established, we believe that a well-selected peer group for compensation benchmarking should remain fairly stable for several years to help inform reliable and consistent market positioning, longer-term pay trends and market practices. Listed below are the 16 companies that make up our primary peer group:

Telecommunication Services 7 peers	AT&T Inc. BCE Inc. Frontier Communications Corp. Sprint Corporation	Telus Corporation T-Mobile US Inc. Verizon
Cable & Satellite 4 peers	Charter Communications, Inc. Comcast Corporation	DISH Network Corporation Liberty Global PLC
Various Technology Industries 5 peers	CISCO Systems Inc. DXC Technology Company [(1)] HP, Inc.	Motorola Solutions, Inc. QUALCOMM Incorporated

(1) Computer Sciences Corporation was included in peer group for 2017 benchmarking. In early April 2017, CSC completed its merger with the Enterprise Services business of Hewlett Packard Enterprise and formed DXC Technology.

In order to provide additional information in support of their compensation decisions, the Committee developed a secondary High Tech peer group. It includes companies representing a broad array of high-tech fields, including IT services, Software, Hardware, Consulting, Distributors and Semiconductors. This group serves as a supplement to the primary 16-company peer group and provides an additional perspective on pay levels and practices for the technology industry sector. Listed below are the 14 companies that make up our secondary high tech peer group:

Overlap with 2018 Peer Group [(2)]	CISCO Systems Inc. DXC Technology Company HP, Inc.	Motorola Solutions, Inc. QUALCOMM Incorporated

5 peers		
Various High-Tech Industries 9 peers	Accenture PLC Cognizant Tech Solutions Facebook Inc. Flex LTD Netflix Inc.	Oracle Corp. Seagate Technology PLC Tech Data Corp. Western Digital Corp

(2) Also included in the Committee s above-listed primary peer group.

In addition to the peer groups described above, the Committee s compensation consultant utilized, to a lesser degree, survey data containing compensation information for companies in the telecommunications industry and general industry that are generally similar in size to us for executive positions where needed.

During the second half of 2018, the Committee, based on input from its compensation consultant,

reviewed the two compensation benchmarking peer groups outlined above and recommended a consolidated peer group in support of pay decisions for our senior officers in 2019.

For additional information about how we set pay levels, see Our Compensation Decision-Making Process.

TSR Peer Group Performance Benchmarking. With the aid of its compensation consultant, the Committee set a TSR Peer Group for purposes of benchmarking our relative performance based upon our historical three-year TSR in performance determination of Mr. Storey s one-time promotion grant (see further discussion under Special Grants Promotion Grant for Mr. Storey and section III above). This peer group is focused principally on telecommunications, cable and other communications companies that are generally comparable to us in terms of size, markets and operations. Our 2018 peer groups for compensation benchmarking were somewhat constrained by the number of companies and revenue and market cap size. In contrast, the TSR peer group is comprised of a broader universe of companies we believe investors are considering when they decide whether to invest in us or our industry.

Telecommunication Services 7 peers	AT&T, Inc. Frontier Communications Corp. Telephone & Data Systems Inc. Telus Corporation	United States Cellular Corporation Verizon Communications Inc. Windstream Holdings, Inc.
Communications Equipment 6 peers	CISCO Systems Inc. EchoStar Corporation Mitel Networks Corporation	Motorola Solutions, Inc. Viasat, Inc. Zayo Group Holdings, Inc
Cable & Satellite 3 peers	Comcast Corporation DISH Network Corporation	Liberty Global plc

Forfeiture of Prior Compensation

For approximately 20 years, all recipients of our LTI grants have been required to contractually agree to forfeit certain of their awards (and to return to us any cash, securities or other assets received by them upon the sale of Common Shares they acquired through certain prior equity awards) if at any time during their employment with us or within 18 months after termination of employment they engage in activity contrary or harmful to our interests. The Committee is authorized to waive these forfeiture provisions if it determines in its sole discretion that such action is in our best interests. Our STI plan contains substantially similar forfeiture provisions.

Our Corporate Governance Guidelines authorize the Board to recover, or clawback, compensation from an executive officer if the Board determines that any bonus, incentive payment, equity award or other

compensation received by the executive was based on any financial or operating result that was impacted by the executive s knowing or intentional fraudulent or illegal conduct. Certain provisions of the Sarbanes-Oxley Act of 2002 would require our CEO and CFO to reimburse us for incentive compensation paid or trading profits earned following the release of financial statements that are subsequently restated due to material noncompliance with SEC reporting requirements caused by misconduct. In addition, provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 will, upon the completion of related rulemaking, require all of our current or former executive officers to make similar reimbursement payments in connection with certain financial statement restatements, irrespective of whether such executives were involved with the mistake that caused the restatement.

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COMPENSATION DISCUSSION AND ANALYSIS

IV. Our Policies, Processes and Guidelines Related to Executive Compensation

Stock Ownership Guidelines

Under our current stock ownership guidelines, our executive officers are required to beneficially own CenturyLink stock in market value equal to a multiple of their annual salary, as outlined in the table below, and each outside director must beneficially own CenturyLink stock equal in market value to five times the annual cash retainer payable to outside directors. Each executive officer and outside director has three and five years, respectively, to attain these targets.

Executive Officer	Stock Ownership Guidelines	Stock Ownership Guidelines
CEO	6 times base salary	$10.8 million(1)
All Other Executive Officers	3 times base salary	$1.7 million(2)
Outside Directors	5 times annual cash retainer	$375,000

(1) Based on annual salary as of December 31, 2018.

(2) Based on average annual salary for all other executive officers as of December 31, 2018.

For any year during which an executive or outside director does not meet his or her ownership target, the executive or director is required to hold 65% of the CenturyLink stock that he or she acquires through our equity compensation programs, excluding shares sold to pay related taxes.

As of December 31, 2018, all of our executive officers and all of our outside directors were in compliance with, and in most cases significantly exceeded, our stock ownership guidelines. For additional information on our stock ownership guidelines, see Governance Guidelines.

Use of Employment Agreements

We have a long-standing practice of not providing traditional employment agreements to our officers, and none of our executives has an employment agreement. However, we do from time to time enter into initial employment offer letters with prospective new employees, including executive officers, some of which include future commitments on our part. In connection with the Level 3 Combination, we entered into an offer letter with each of our newly named executives, Messrs. Storey and Patel. In connection with accelerating our CEO succession plan, we amended and restated Mr. Storey s letter, which does contain future commitments by the Company. In addition, we entered into a standard offer letter with Mr. Dev in connection with promoting him to full-time (from interim) CFO, which set his initial compensation but does not provide any future commitments by the Company.

Tax Gross-ups

We do not provide tax gross-up benefits for our executive compensation programs; however, there are a few broad-based compensation programs in which we provide for tax gross-ups. These programs include our relocation policy, which provides for a tax gross-up to any employee who qualifies for relocation expense reimbursement. Mr. Trezise, who relocated from our Monroe, Louisiana corporate offices to our Broomfield, Colorado corporate offices during 2018, participated in this program and the applicable relocation expense is reported in the Summary Compensation Table appearing below. In addition, we provide tax gross-ups in limited situations where spouses attend business functions and accompany our senior officers on corporate aircraft. We do not intend to provide tax gross-up benefits in any new executive compensation programs.

Anti-Hedging and Anti-Pledging Policies

Under our insider trading policy, our employees and directors may not:

- purchase or sell short-term options with respect to CenturyLink shares,
- engage in short sales of CenturyLink shares, or
- engage in hedging transactions involving CenturyLink shares which allow employees to fix the value of their CenturyLink shareholdings without all the risks of ownership or cause them to no longer have the same interests or objectives as our other shareholders.

In addition, under our insider trading policy, our senior officers and directors are prohibited from holding our securities in a margin account or otherwise pledging our securities as collateral.

To our knowledge, all of our senior officers and directors are currently in compliance with our anti-hedging and anti-pledging policies.

Deductibility of Executive Compensation

Section 162(m) of the Code limits the amount of compensation paid to certain covered officers that we may deduct for federal income tax purposes to $1 million per covered officer per year.

Historically, compensation that qualified as performance-based compensation within the meaning of Section 162(m) was not subject to the $1 million limitation. As recently as 2017, largely due to the availability of this performance-based exemption, the deductibility of various payments and benefits was one factor among many considered by the Committee in determining executive compensation. However, federal tax reform legislation passed in December 2017 included significant changes to Section 162(m). Among these changes were an expansion of the scope of covered officers subject to the Section 162(m) deduction

limitation and the elimination of the performance-based compensation exemption.

For taxable years beginning after December 31, 2017, compensation paid to a covered officer in excess of $1 million will not be deductible unless it qualifies for transition relief applicable to certain performance-based arrangements in place as of November 2, 2017. Among other things, this means that all compensation paid to each covered officer in 2018 and beyond will be subject to the $1 million deduction limitation, regardless of whether it is structured as performance-based compensation, unless the transition relief applies.

Section 162(m) is highly technical and complex. Because of ambiguities as to the application and interpretation of Section 162(m), including the uncertain scope of the transition relief for grandfathered performance-based compensation, we can give no assurance that compensation intended to satisfy the requirements for performance-based exemption from the Section 162(m) deduction limit will, in fact, satisfy the exemption. Further, the Committee reserves the right to modify compensation that was initially intended to be exempt from Section 162(m) if it determines that such modifications are consistent with the company s business needs.

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COMPENSATION COMMITTEE REPORT

The Human Resources and Compensation Committee has reviewed and discussed with management the report included above under the heading Compensation Discussion and Analysis. Based on this review and discussion, the Committee

recommended to the Board that the Compensation Discussion and Analysis report be included in this proxy statement and incorporated into our Annual Report on Form 10-K for the year ended December 31, 2018.

Submitted by the Human Resources and Compensation Committee of the Board of Directors.

Laurie A. Siegel (Chair)

Virginia Boulet

T. Michael Glenn

Steven T. Clontz

Michael J. Roberts

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EXECUTIVE COMPENSATION

Overview

The following table sets forth certain information regarding the compensation of (i) our current and former principal executive officers, (ii) our current and former principal financial officers, (iii) each of the two other executive officers who were serving as executive officers at the end of 2018, and (iv) a former executive officer. Following this table is additional information regarding incentive compensation, pension benefits, deferred compensation and potential termination payments pertaining to the named officers. For additional information on the compensation summarized below and other benefits, see Compensation Discussion and Analysis.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus[(1)]	Equity Awards[(2)]	Non-Equity Incentive Plan Compensation[(3)]	Change in Pension Value[(4)]	All Other Compensation[(5)]	Total
Current Executives:								
Jeffrey K. Storey[(6)]	2018	$ 1,683,299	$ 5,842,000	$ 24,262,040	$ 3,790,772	$	$ 77,535	$ 35,655,646
President and Chief Executive Officer	2017	248,219	3,732,517	6,952,604			11,589	10,944,929
Indraneel Dev[(7)]	2018	$ 463,770	$ 227,027	$ 1,588,732	$ 438,427	$	$ 11,000	$ 2,728,955
Executive Vice President and Chief Financial Officer								
Stacey W. Goff	2018	$ 600,018	$	$ 2,070,386	$ 847,465	$	$ 57,586	$ 3,575,455
	2017	550,662	275,000	6,373,228	449,502	54,643	59,528	7,762,563
Executive Vice President,	2016	540,758		1,559,195	477,057	161,857	36,146	2,775,013

General Counsel and Secretary								
Scott A. Trezise *Executive Vice President* *Human Resources*	2018	$ 475,010		$ 724,646	$ 467,600		$ 194,048	$ 1,861,304
Former Executives:								
Glen F. Post, III(8)	2018	$ 489,726	$	$ 8,961,113	$ 917,012	$ 203,601	$ 172,762	$ 10,744,214
	2017	1,250,000	1,500,000	9,814,604	1,596,875	395,943	158,138	14,715,560
Current Director, Former Chief Executive Officer	2016	1,250,000		10,518,344	1,754,375	333,816	109,679	13,966,214
Sunit S. Patel(9)	2018	$ 556,854	$ 1,214,500	$ 5,148,229			$ 13,895	$ 6,933,478
	2017	124,521	1,447,475	3,383,274				4,955,269
Former Executive Vice President and Chief Financial Officer								
Aamir Hussain(10)	2018	$ 509,604	$	$ 2,795,192	$ 654,332	$	$ 1,331,039	$ 5,290,167
	2017	550,699	300,000	6,728,022	416,651		13,302	8,008,674
Former Executive Vice President	2016	496,049		2,598,654	397,831		13,548	3,506,082

(1) For 2018, the amounts shown in this column reflect:

- the final installments of certain cash retention bonuses, originally granted by Level 3, that we assumed in the Level 3 Combination ($2,542,000 to Mr. Storey, $227,027 to Mr. Dev, and $1,214,500 to Mr. Patel), payout of which were contingent upon continued employment through the payment date; and

- the final installment of a cash signing bonus due to Mr. Storey under his original offer letter, payout of which was contingent upon his continued employment through the first anniversary of the Closing ($3,300,000).

Due to his resignation effective September 28, 2018, Mr. Patel forfeited the right to receive a final payment of $214,500. For additional information about these cash bonuses, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Final Installments of Cash Bonuses Related to Level 3 Combination.

(2) For 2018, the amounts shown in this column reflect:

the fair value of annual grants of restricted stock or restricted stock unit awards made to our named executives under our long-term incentive compensation program (and the additional restricted grant that Mr. Post received for his service as an outside director, which was granted following his retirement from all employment positions with the Company);

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the fair value of initial performance-based restricted stock grants made to each of Messrs. Storey and Patel at the Closing but which were not granted for accounting purposes until February 21, 2018;

the fair value of the promotion restricted stock awards made to Mr. Storey on May 24, 2018 in accordance with his amended and restated offer letter;

the fair value of a special performance-based restricted stock award granted to Mr. Patel, which was subsequently forfeited upon his resignation from all positions with the Company effective September 28, 2018;

the fair value of a special performance-based restricted stock award that was granted to Mr. Dev prior to his appointment as an executive officer; and

For additional information about these equity grants, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Grants of Long-Term Incentive Compensation and Special Grants.

The fair value of the awards presented in the table above has been determined in accordance with FASB ASC Topic 718. For purposes of this table, in accordance with SEC disclosure rules we determined the fair value of shares of:

time-vested restricted stock and restricted stock units including the time-vested portion of annual grants, the time-vested portion of Mr. Storey s promotion grant, and the director grant to Mr. Post based on the closing trading price of our Common Shares on the day of grant; and

performance-based restricted stock and restricted stock units including the performance-based portion of annual grants, the initial performance-based restricted stock grants to Messrs. Storey and Patel, the performance-based portion of Mr. Storey s promotion grant, and the special grant to Mr. Patel, using Monte-Carlo simulations.

The aggregate value of the equity awards granted to each named executive in 2018, based on the grant date closing trading price of our Common Shares and assuming maximum payout of his performance-based restricted shares, would be as follows: Mr. Storey, $43,062,809, Mr. Dev, $2,803,084, Mr. Goff, $3,312,628, Mr. Trezise, $1,159,437, Mr. Post, $14,078,690, Mr. Patel, $10,085,099, and Mr. Hussain, $4,472,387. See Note 11 titled Share-based Compensation of the notes to our audited financial statements included in *Appendix A* for an explanation of material assumptions that we used to calculate the fair value of these stock awards.

(3)

The amounts shown in this column reflect cash payments made under our short-term incentive program for actual performance in the respective years. For additional information, see Incentive Compensation and Other Awards 2018 Awards.

(4) Reflects the net change during each of the years reflected in the present value of the named executives accumulated benefits under the defined benefit plans discussed below under the heading Pension Benefits. The present value of Mr. Goff s accumulated benefits actually decreased by $56,010 between fiscal 2017 and 2018; however, as required by SEC disclosure rules, we have reported a change of $0 in the table above.

(5) For fiscal 2018, the amounts shown in this column are comprised of (i) reimbursements for the cost of an annual physical examination; (ii) personal use of our aircraft; (iii) contributions or other allocations to our defined contribution plans; (iv) for Mr. Trezise, costs related to his relocation from Monroe, Louisiana to Boulder, Colorado, including temporary housing, closing costs on the purchase and sale of his primary residence, the costs of moving goods, and a related tax gross-up payment, all as provided under the terms of our broad-based employee relocation policy; (v) payments of life insurance premiums under a legacy reimbursement plan; and (vi) certain post-employment payments, specifically, for Mr. Post, cash fees paid to him as an outside director following his retirement from employment with the Company and, for Mr. Hussain, cash severance payments and other post-employment benefits pursuant to our executive severance plan, in each case for and on behalf of the named executives as follows:

Name	Year	Physical Exam	Aircraft Use	Contributions to Plans	Relocation Costs	Tax Gross-up on Relocation Costs	Life Insurance Premiums	Post Employment Payments	Total
Current Executives:									
Mr. Storey	2018		$ 66,535	$ 11,000					$ 77,535
Mr. Dev	2018			$ 11,000					$ 11,000
Mr. Goff	2018	$ 4,206	$ 21,690	$ 20,733			$ 10,957		$ 57,586
Mr. Trezise	2018		$ 17,640	$ 11,000	$ 123,495	$ 41,913			$ 194,048
Former Executives:									
Mr. Post	2018	$ 3,060	$ 16,500	$ 86,952				$ 66,250	$ 172,762
Mr. Patel	2018	$ 2,895		$ 11,000					$ 13,895
Mr. Hussain	2018	$		$ 11,000				$ 1,320,039	$ 1,331,039

For additional information regarding perquisites, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Other Benefits Perquisites.

(6) Mr. Storey was promoted to Chief Executive Officer on May 23, 2018.

(7) Mr. Dev was appointed as interim Chief Financial Officer effective September 28, 2018 and was promoted to Executive Vice President and Chief Financial Officer effective November 6, 2018.

(8) Mr. Post retired from his role as CenturyLink s Chief Executive Officer immediately following the Company s 2018 annual meeting of shareholders on May 23, 2018 although he continues to serve as a non-employee director. For more information regarding the amounts paid to Mr. Post upon his retirement, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Retirement Compensation Paid to our Former CEO.

(9) Mr. Patel resigned from his roles as CenturyLink s Executive Vice President and Chief Financial Officer effective as of September 28, 2018. Upon his resignation, all of Mr. Patel s unvested equity awards (including the awards reported as granted during 2018 under Stock Awards) and the balance of his Level 3 retention bonus ($214,500) were forfeited. For more information, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Compensation Forfeited by our Former CFO.

(10) Mr. Hussain was involuntarily terminated as our Executive Vice President and Chief Technology Officer effective as of November 6, 2018. For more information regarding the amounts paid to Mr. Hussain upon his termination of employment, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Compensation Paid to our Former CTO.

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Incentive Compensation and Other Awards

Incentive Compensation and Other Awards

2018 Awards. The table and discussion below summarize:

- the range of potential cash payouts to each of our named executives under our short-term incentive program with respect to performance during 2018; and

- grants of long-term compensation awarded to each named officer on the dates indicated below, including the type of equity award and whether the award is time- or performance-based.

Grants of Plan-Based Awards[(1)]

		Range of Payouts Under Non-Equity Incentive Plan Awards[(3)]			Estimated Future Share Payouts Under Equity Incentive Plan Awards				
ame	Type of Award and Grant Date[(2)]	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)	All other Stock Awards: Unvested Shares (#)	Grant Date Fai Value of Stock Awards ($)[(4)]
urrent Executives:									
ffrey K. Storey	Annual Bonus	$ 1,610,354	$ 3,220,707	$ 6,441,414					$
	Annual TVRS							267,103	4,946,74
	Annual PBRS				200,328	400,655	801,310		7,420,13
	Initial PBRS				162,777	325,554	651,108		5,827,41
	Promotion TVRS							156,870	2,905,23
	Promotion PBRS				117,653	235,306	470,612		3,162,51
draneel Dev	Annual Bonus	$ 178,150	$ 356,300	$ 712,600					$
	Annual TVRS							19,777	374,37
	Annual PBRS				9,889	19,777	39,554		374,37
	Special PBRS				22,532	45,063	90,126		839,94

acey W. Goff	Annual Bonus	$ 360,011	$ 720,021	$ 1,440,042					$
	Annual TVRS							46,265	828,14
	Annual PBRS				34,700	69,399	138,798		1,242,24
cott A. Trezise	Annual Bonus	$ 190,004	$ 380,008	$ 760,016					$
	Annual TVRS							16,193	289,85
	Annual PBRS				12,145	24,290	48,580		434,79
ormer Executives:									
len F. Post, III	Annual Bonus	$ 428,511	$ 857,021	$ 1,714,042					$
	Annual TVRS							196,629	3,519,65
	Annual PBRS				147,473	294,945	589,890		5,279,51
	Director TVRS							8,744	161,93
unit S. Patel	Annual Bonus								$
	Annual TVRS							69,398	1,242,22
	Annual PBRS				52,050	104,099	208,198		1,863,37
	Initial PBRS				19,436	38,871	77,742		695,79
	Special PBRS				52,488	104,976	209,952		1,346,84
amir Hussain	Annual Bonus	$ 305,763	$ 611,525	$ 1,223,050					$
	Annual TVRS							62,458	1,117,99
	Annual PBRS				46,849	93,698	187,396		1,677,19

(1) This chart includes only cash bonuses granted under incentive plans, and excludes cash payments reported in the Bonus column of the Summary Compensation Table. For more information on those non-incentive cash bonuses, see Note 1 to the Summary Compensation Table and Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Final Installments of Cash Bonuses Related to Level 3 Combination.

(2) For purposes of this column:

Annual Bonus means the bonuses that our named executives were eligible to earn under the CenturyLink STI Program for 2018;

Annual TVRS means our time-vested restricted stock or restricted stock units awarded under our annual long-term incentive program to certain named executives on February 21, 2018 (each named executive other than Mr. Storey) or on May 24, 2018 (Mr. Storey);

Annual PBRS means our performance-based restricted stock or restricted stock units awarded under our annual long-term incentive program to certain named executives on February 21, 2018 (each named executive other than Mr. Storey) or on May 24, 2018 (Mr. Storey);

Promotion TVRS means a grant of time-vested restricted stock granted to Mr. Storey on May 24, 2018 per his amended and restated offer letter;

Promotion PBRS means a grant of performance-based restricted stock granted to Mr. Storey on May 24, 2018 per his amended and restated offer letter;

Initial PBRS means the performance-based portion of initial restricted stock grants awarded to Messrs. Storey and Patel in connection with the Level 3 Combination, which was consummated on November 1, 2017, as provided in their original offer letters, but which were not granted for accounting purposes until February 2018 when the performance conditions were finalized;

Director TVRS means a grant of time-vested restricted stock awarded to Mr. Post under our director compensation program once he became an outside director following his May 23, 2018 retirement; and

Special PBRS means a grant of performance-based restricted stock awarded to Mr. Patel on June 1, 2018 and Mr. Dev on August 7, 2018.

With respect to Mr. Patel s awards, all of these were subsequently forfeited upon his resignation from all positions with the Company effective September 28, 2018. For more information on these awards, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Short-Term Incentive Bonuses, Grants of Long-Term Incentive Compensation and Special Grants.

(3) These columns provide information on the potential payouts under the annual bonus program for 2018 for our legacy named executives (the CenturyLink STI Plan). The actual amounts paid for 2018 performance are reported in the Non-Equity Incentive Plan Compensation column of the Summary Compensation Table. Failure to meet the threshold level of performance would result in no payout to the executive.

(4) Calculated in accordance with FASB ASC Topic 718 in the manner described in Note 2 to the Summary Compensation Table above.

Short-Term Incentive Compensation. Our legacy named executives participated in the CenturyLink short-term incentive program for 2018. For more information regarding these programs, including the specific performance metrics applicable to the CenturyLink STI program, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Short-Term Incentive Bonuses.

Annual Grants of Long-Term Incentive Compensation. We make annual grants of long-term incentive awards to our executive officers. For the past several years, these awards have been 40% time-vested and 60% performance-based. In February 2018, each of our named executives other than Mr. Storey was granted both time- and performance-based shares of restricted stock under this program. The time-vested shares will vest one-third per year over the first three anniversaries of the date of grant and the performance-based shares will vest in two equal installments on February 21 of 2020 and 2021, depending upon our achievement of a two-year Adjusted EBITDA run rate target. On

May 24, 2018, Mr. Storey received a restricted stock unit award substantially similar to the February 2018 annual grants to executive officers, including 60% performance-based and 40% time-based, as his annual grant for 2018. For more information, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Grants of Long-Term Incentive Compensation. For information regarding LTI grants made in prior years, see the disclosure in our proxy statement for the year following the date of grant.

Initial Performance-Based Restricted Stock Grants to Messrs. Storey and Patel. As disclosed in our 2018 proxy statement, we made certain initial equity grants to Messrs. Storey and Patel when they joined us in 2017 following the Closing of the Level 3 Combination. Although these initial grants were awarded at the Closing, the performance-based portion of these initial grants were not granted for accounting purposes until February 2018, when the performance conditions were finalized by our Compensation Committee. As such, these performance-based awards were not reported in our

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2017 Summary Compensation Table but appear in our 2018 Summary Compensation Table. The number of shares earned would range between 0 to 200% of the number granted, depending on our achievement of an Adjusted EBITDA run rate target. Mr. Storey s award had a one-year target (fiscal 2018) while Mr. Patel s award had a two-year target (fiscal years 2018 and 2019). Mr. Patel s award was forfeited following his resignation from employment on September 28, 2018. Based on our fiscal 2018 performance, Mr. Storey s award vested at 200% in March of 2019. For more information on these initial grants, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Special Grants.

Special Grants. In connection with Mr. Storey s promotion to Chief Executive Officer, he received the annual grant described above and also a one-time promotion grant that consisted of 60% performance-based restricted stock and 40% time-based restricted stock. The number of shares earned on the performance-based portion will range between 0 to 200% of the number granted, with the number earned determined using a two-step process: (1) between 0 to 100% of target will be earned depending on the Company s cumulative Adjusted EBITDA results for the three-year period from 2018 to 2020 and (2) provided that target performance is met or exceeded under step (1), Mr. Storey may earn above target (up to a maximum 200% of target) based on the Company s relative total shareholder return over the same period against the performance of a peer group of companies in the telecommunications industry. In June 2018, Mr. Patel received a retention grant with the same performance conditions, which was forfeited in its entirety following his resignation in September 2019. In August 2018, prior to his appointment as executive officer, Mr. Dev received a retention grant comprised of performance-based restricted stock, which is divided into two equal tranches, with payout under each tranche ranging from 0 to 200% depending upon our achievement against a two-year Adjusted EBITDA run rate target. For more information on these equity grants, see Compensation Discussion and Analysis Our Compensation Program Objectives and Components of Pay Special Grants.

Acceleration of Vesting of Equity Awards. All of the equity awards granted in 2018 will vest upon the death or disability of the named officer. In addition, the Compensation Committee may, in its discretion, vest or waive the continued service requirement for a

named executive s outstanding equity awards upon his or her retirement (at early or normal retirement age), in whole or in part. However, Mr. Storey s equity awards may accelerate under certain additional scenarios, as memorialized in his amended and restated offer letter. For more information on these vesting acceleration triggers, see Potential Termination Payments Equity Acceleration Provisions of Mr. Storey s Amended and Restated Offer Letter. In addition, we have entered into change of control agreements with each named officer, which provide that, upon certain terminations of employment following a change of control of the Company, the time-vested portions of outstanding equity awards will vest and performance-based portions may remain outstanding subject to future vesting, all as described in greater detail below under Potential Termination Payments Payments Made Upon a Change of Control.

Dividends and Voting Rights. All dividends related to shares of the above-described time-vested and performance-based restricted stock (or dividend equivalents, in the case of time- or performance-based restricted stock units) will be paid to the holder only upon the vesting of such shares or units. Unless and until forfeited, any shares of restricted stock may be voted by the named executive officers. However, holders of restricted stock units will have no voting rights unless and until they are issued shares in settlement of those awards.

Forfeiture. All of these above-described equity awards are subject to forfeiture if the officer competes with us or engages in certain other activities harmful to us, all as specified further in the forms of incentive agreements that we have filed with the SEC. For more information, see Potential Termination Payments.

Outstanding Awards. The following table summarizes information about all outstanding unvested equity awards held by our named executives at December 31, 2018. Mr. Patel is not included in this chart because he did not have any unvested equity awards as of such date, as all such awards were forfeited upon his termination date of September 28, 2018.

Outstanding Equity Awards at December 31, 2018[1]

Name	Grant Date	Stock Awards Number of Unvested Shares or Units (#)	Market Value of Unvested Shares or Units ($)	Equity Incentive Awards[2] Number of Unvested Shares or Units (#)	Market Value of Unvested Shares or Units ($)
Current Executives:					
Jeffrey K. Storey	3/1/2017	108,921[3]	$ 1,650,153		$
	11/1/2017	217,036[4]	3,288,095		
	2/21/2018			325,554[12]	4,932,143
	5/24/2018	267,103[5]	4,046,610	400,655[13]	6,069,923
	5/24/2018	156,870[6]	2,376,581	235,306[14]	3,564,886
Indraneel Dev	7/1/2015	4,505[3]	68,251		
	4/1/2016	11,987[3]	181,603		
	7/1/2016	7,988[3]	121,018		
	3/1/2017	22,272[3]	337,421		
	11/1/2017	34,552[7]	523,463		
	2/19/2018	19,777[5]	299,622	19,777[13]	299,622
	8/7/2018			45,063[15]	682,704
Stacey W. Goff	2/23/2016	6,440[8]	97,566	28,979[16]	439,032
	2/21/2017	13,377[9]	202,662	30,098[17]	455,985
	6/1/2017	125,280[10]	1,897,992		
	2/21/2018	46,265[5]	700,915	69,399[13]	1,051,395
Scott A. Trezise	2/23/2016	3,067[8]	46,465	13,800[16]	209,070
	2/21/2017	6,901[9]	104,550	15,527[17]	235,234

	6/1/2017	97,440[10]	1,476,216		
	2/21/2018	16,193[5]	245,324	24,290[13]	367,994
Former Executives:					
Glen F. Post, III	2/23/2016		$	195,491[16]	$ 2,961,689
	2/21/2017			203,043[17]	3,076,101
	2/21/2018			294,945[13]	4,468,417
	5/24/2018	8,744[11]	132,472		
Aamir Hussain	2/23/2016			48,298[16]	731,715
	2/21/2017			38,220[17]	579,033

(1) All information presented in this table is as of December 31, 2018, and does not reflect vesting of outstanding equity awards or issuance of additional awards since such date.

(2) Represents performance-based equity awards. The table above assumes that, as of December 31, 2018, we would perform at target levels, such that all performance-based shares granted to each named executive would vest at 100%.

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(3) Represents restricted stock units, originally granted to certain named executives by Level 3, which were converted to time-vested CenturyLink restricted stock units as a result of the Level 3 Combination. These awards will vest as follows, subject to the named executive s continued employment on such date:

Grant Date	Vesting Date
July 1, 2015	July 1, 2019
April 1, 2016	February 1, 2019
July 1, 2016	two equal installments on July 1 of 2019 and 2020
March 1, 2017	two equal installments on March 1 of 2019 and 2020

(4) Represents a grant of time-vested restricted stock that vested on February 1, 2019, subject to Mr. Storey s continued employment through such date.

(5) Represents an annual grant of time-vested restricted stock (for Messrs. Dev, Goff, and Trezise) or restricted stock units (for Mr. Storey) that will vest in three equal installments on the first three anniversaries of the grant date (February 19 for Mr. Dev; February 21, 2018 for Messrs. Goff and Trezise; May 24, 2018 for Mr. Storey), subject to the executive s continued employment through the applicable vesting date.

(6) Represents a promotion grant of time-vested restricted stock that will vest in three equal installments on May 24 of 2019, 2020, and 2021, subject to the executive s continued employment through the applicable vesting date.

(7) These shares of time-vested restricted stock will vest in two equal installments on November 1 of 2019 and 2020, subject to the executive s continued employment through the applicable vesting date.

(8) These shares of time-vested restricted stock vested on February 23, 2019, subject to the executive s continued employment through such date.