

**WINDSTREAM HOLDINGS, INC.  
AUDIT COMMITTEE OF BOARD OF DIRECTORS**

**AUDIT COMMITTEE CHARTER  
Effective August 30, 2013  
As Amended May 3, 2016**

**STATEMENT OF PURPOSE**

The purpose of the Audit Committee (the “Committee”) of the Board of Directors of Windstream Holdings, Inc. (“Windstream”) is to:

- assist the Board of Directors in overseeing the quality and integrity of Windstream’s accounting, auditing, internal controls, compliance and risk assessment practices related to (i) the financial statements and financial reporting process including disclosure controls and procedures, (ii) the system of internal accounting and financial controls, (iii) the independent auditors’ engagement, performance, independence and qualifications, (iv) the performance of the internal audit function, (v) legal and regulatory compliance monitoring and (vi) compliance with ethics programs established by Windstream’s management and the Board of Directors;
- maintain free and open communication among Windstream’s independent auditors, internal auditors, management and the Committee; and
- prepare an audit committee report to be included in Windstream’s annual proxy statement.

The Committee’s primary purpose is oversight. Windstream’s management is responsible for preparing Windstream’s financial statements and establishing and maintaining an effective system of internal accounting and financial controls and disclosure controls and procedures. Windstream’s independent auditors are responsible for auditing Windstream’s financial statements and internal control over financial reporting.

**COMPOSITION**

The Committee shall be appointed by the Board of Directors and shall consist of at least three directors, each of whom must be “independent” as defined in paragraph 14 of Windstream Holdings, Inc.’s Corporate Governance Board Guidelines, and satisfy any other criteria that are specified in the NASDAQ National Market System (“NASDAQ”) rules, the rules of the Securities and Exchange Commission (the “SEC”), and any other statute or regulation applicable to Windstream from time to time. The Committee shall be subject to the provisions of Windstream’s Bylaws and Corporate Governance Board Guidelines relating to committees of the Board of Directors, including those provisions relating to removing committee members and filling vacancies.

**RESPONSIBILITIES AND PROCESSES**

In furtherance of its purpose, the Committee shall have the power and responsibility to undertake the following activities.

*A. Meetings*

1. The Committee shall meet at least four times during each fiscal year. Annually, the Committee shall establish a schedule of meetings to fulfill its meeting requirements; additional meetings may be scheduled as deemed necessary or appropriate by the Committee. The Committee shall meet at least quarterly with Windstream’s independent auditors, internal auditors and management to review Windstream’s financial statements and system of internal accounting and financial controls, in each case as further described below.
2. At least quarterly, the Committee shall meet with Windstream’s management, internal auditors and independent auditors in separate executive sessions to discuss the results of the auditors’



examinations, any audit problems or difficulties arising during the course of the audits, management's response to any such problems or difficulties, and any other matters of concern to Windstream's management, the independent auditors, the internal auditors or the Committee.

#### *B. Independent Auditors*

1. The Committee shall be directly responsible for the appointment, compensation, retention, oversight (including resolution of disagreements between management and the auditor regarding financial reporting) and replacement of Windstream's independent auditors. Windstream's independent auditors shall report directly to the Committee.
2. At least annually, the Committee shall review and approve the engagement of Windstream's independent auditors. The Committee shall pre-approve all audit and permitted non-audit services (and related fees) to be performed by the independent auditors in accordance with applicable law and established policy. The Committee may delegate its pre-approval authority to one or more of its members, whose decision related to any such pre-approval shall be reported to the Committee at its next meeting.
3. The Committee shall discuss with Windstream's independent auditors the overall scope, plans and budget for any audits, audit-related and permitted non-audit services (collectively the "audit") to be performed by the independent auditors, including the adequacy of resources dedicated to the audit and other factors that may affect the effectiveness of the audit.
4. The Committee shall obtain from Windstream's independent auditors and review, at least annually, a written report delineating all relationships between the independent auditors and Windstream. The Committee shall set clear policies for the hiring of employees or former employees of Windstream's independent auditors. The Committee also shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may affect the objectivity and independence of the independent auditors and shall take appropriate action in response to the independent auditors' report to verify, to the Committee's satisfaction, the independent auditors' independence.
5. On an annual basis, the Committee shall obtain and review a report from the independent auditors regarding the independent auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review (or peer review) of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm; and any steps taken to address any such issues.
6. After reviewing the foregoing reports from the independent auditors regarding independence and internal quality control matters, the Committee shall evaluate the qualifications, performance and independence of Windstream's independent auditors, including the "lead partner" of the independent auditors (as such term is defined by SEC rule). When evaluating the independent auditors and lead partner, the Committee shall consider the information disclosed in the two independent auditor reports referenced above, as well as the opinions of Windstream's management and internal auditors. The Committee also shall consider any upcoming rotation of audit partners required by SEC rules. The Committee shall present the conclusion of its evaluations of the independent auditors and lead partner to the Board of Directors.

#### *C. Financial Reporting and Disclosure Matters*

1. The Committee shall review Windstream's interim financial statements with Windstream's management and independent auditors prior to the filing of Windstream's Quarterly Report on Form 10-Q, including reviewing disclosures contained in the Management Discussion and Analysis of Financial Condition and Results of Operation section of the Form 10-Q. The Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, the federal securities laws and the NASDAQ rules. The Committee shall also review (i) management's disclosure to the Committee and the independent auditor under Section 302 of



the Sarbanes-Oxley Act, including identified changes in internal control over financial reporting, and (ii) the contents of the Chief Executive Officer and the Chief Financial Officer certifications to be filed under Sections 302 and 906 of the Sarbanes- Oxley Act and the process conducted to support the certification.

2. The Committee shall review with Windstream's management and independent auditors the financial statements to be included in Windstream's Annual Report on Form 10-K (or the annual report to stockholders if distributed prior to the filing of Form 10-K), including the independent auditors' judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements. This annual review will include a review of the disclosures contained in the Management Discussion and Analysis of Financial Condition and Results of Operation section of the Form 10-K. The Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by Windstream's independent auditors under generally accepted auditing standards, the federal securities laws and the rules of NASDAQ and SEC. The Committee also shall approve the annual audited financial statements and recommend to the Board of Directors whether those financial statements should be included in Windstream's Annual Report on Form 10-K.
3. The Committee shall review with Windstream's management and independent auditors:
  - material changes in Windstream's selection or application of accounting principles;
  - accounting principles applied by Windstream in connection with material accounting decisions and transactions, including material business acquisitions and dispositions;
  - any material issues, to the extent necessary or appropriate, on which the independent audit team consulted the national office;
  - the potential financial statement impact of recently-enacted, material regulatory or accounting principles and rules; and
  - the financial statement impact of any off-balance sheet arrangements in which Windstream may engage.
4. The Committee shall discuss with Windstream's management Windstream's policy for earnings press releases, as well as for providing guidance and other financial information to analysts, rating agencies and other constituencies in the investment community.
5. The Committee shall issue annually any Committee report regarding Windstream's audited financial statements and independent auditors that is required by SEC rules to be included in Windstream's proxy statement.

*D. Internal Auditors and Internal Control Structure*

1. The Committee shall review and concur in the appointment, replacement, reassignment or dismissal of Windstream's Vice President – Internal Audit.
2. The Committee (or its delegate) shall evaluate and have input into the Vice President – Internal Audit's annual performance assessment and compensation.
3. The Committee shall discuss with the Vice President – Internal Audit the purpose, reporting lines and organizational structure, staffing and qualifications of Windstream's internal audit function.
4. The Committee shall review and approve the Internal Audit Department's budget and internal audit plan, including the overall scope and plans for the internal audits and reviews to be performed and the adequacy of resources dedicated to those audits and reviews.
5. At least quarterly, the Committee shall discuss with Windstream's management, internal auditors and independent auditors the adequacy and effectiveness of Windstream's system of internal accounting and financial controls, including any significant issues with respect to Windstream's system of internal accounting and financial controls and steps taken to address those issues.



6. In connection with each Form 10-Q and Form 10-K report, the Committee shall discuss with Windstream's management, internal auditors and independent auditors the most recent evaluation of Windstream's disclosure controls and procedures and any assessment or attestation of Windstream's system of internal accounting and financial controls that is required to be disclosed in each such periodic report.

*E. Compliance and Risk Management*

1. At least quarterly, the Committee shall review with Windstream's management material litigation, material notices or inquiries received from regulators or governmental agencies, and material complaints or investigations arising under Windstream's ethics program.
2. Annually, the Committee shall discuss with Windstream's management Windstream's processes for assessing and managing risk. The Committee also shall discuss and review, at a frequency established by the Committee, Windstream's major financial risk exposures, along with cyber security and data breach exposures, and the steps Windstream's management has taken to monitor, control and prevent those exposures.
3. Annually, the Committee shall review the standards adopted as a Code of Conduct and discuss with Windstream management and the VP – Internal Audit, the adequacy and appropriateness of Windstream's compliance programs related to business ethics and financial controls, including information regarding significant violations or probable violations of such programs.
4. The Committee shall oversee the Windstream Compliance Committee, and exercise all rights and authority of the Board of Directors with respect to the Compliance Committee, including the removal of its members and the filling of vacancies.
5. The Committee shall oversee the Windstream Investments Committee, and exercise all rights and authority of the Board of Directors with respect to the Investment Committee, including the removal of its members and the filling of vacancies.

*F. Other*

1. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by Windstream regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Windstream employees of concerns regarding questionable accounting or auditing matters, fraud and potential violations of the company's code of conduct, laws or regulations.
2. The Committee shall review and reassess, at least annually, this charter, its policies and procedures, and the performance of the Committee. The Committee shall obtain the approval of the Board of Directors of any recommended changes to this charter or the Committee.
3. The Committee will consider whether there are any continuing education programs, whether conducted by management, the independent auditor or another third-party organization, that Committee members would benefit from attending.
4. The Committee shall undertake all further actions and discharge all further responsibilities imposed upon the Committee from time to time by applicable SEC and NASDAQ rules and any other statute or regulation applicable to Windstream from time to time.
5. The Committee shall report regularly to the Board of Directors on matters within the scope of the Committee, including any issues that arise with respect to the quality or integrity of Windstream's financial statements, Windstream's compliance with legal or regulatory requirements, the performance and independence of Windstream's independent auditors, the performance of Windstream's internal audit function and any other issues the Committee believes merit the attention of the Board of Directors.
6. The Committee is empowered to engage independent counsel and other advisors that the Committee determines are necessary to discharge its duties and responsibilities.



7. The Committee is empowered to obligate Windstream to pay the fees and expenses of any independent auditors engaged for rendering or issuing an audit report, or performing other audit, review or attest services, and of any outside professionals engaged by the Committee in accordance with this charter, as well as the ordinary administrative expenses of the Committee necessary or appropriate to carry out its responsibilities.
8. In discharging its responsibilities, the Committee is empowered to investigate any matter with full access to all books, records, facilities and personnel of Windstream.

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