

Zayo Group Holdings, Inc.
Form DEF 14A
September 27, 2018

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

SCHEDULE 14A

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 Pursuant to §240.14a-12

ZAYO GROUP HOLDINGS, 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)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
 - (2) Aggregate number of securities to which transaction applies:
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Fee paid previously with preliminary materials.

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(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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Notice of Annual Meeting of Stockholders

November 6, 2018

7:30 a.m. (Mountain Time)

Items of Business

1. Election of the three directors named in the proxy statement;
2. Ratification of KPMG LLP as our independent registered public accounting firm;
3. Advisory vote approving executive compensation;
4. Approval of the adoption of an amendment to our Amended and Restated Certificate of Incorporation (the "Current Certificate") to phase out and eventually eliminate the classified structure of our Board of Directors;
5. Approval of the adoption of an amendment to the Current Certificate to eliminate the supermajority voting requirement for amendments to the Current Certificate and for stockholder amendments to our Amended and Restated Bylaws (the "Current Bylaws");
6. Approval of the adoption of an amendment to our Current Certificate to impose certain stock ownership limitations and transfer restrictions in connection with the Company's previously announced plan to consider conversion to a real estate investment trust;
7. Approval of the adoption of an amendment to our Current Bylaws to eliminate the supermajority voting requirement for stockholder amendments to the Current Bylaws; and
8. Transact such other business as may properly come before the meeting or any adjournment thereof.

Notice is hereby given that the 2018 Annual Meeting of Stockholders of Zayo Group Holdings, Inc. will be held virtually via live webcast on Tuesday, November 6, 2018, at 7:30 a.m. (Mountain Time). The Annual Meeting can be accessed by visiting www.virtualshareholdermeeting.com/zayo2018, where you will be able to listen to the meeting live, submit questions and vote online. To participate in the Annual Meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials.

Only stockholders of record at the close of business on September 7, 2018 are entitled to notice of, and to vote at, the virtual meeting and any adjournments thereof. For ten days prior to the meeting, a complete list of the stockholders entitled to vote at the Annual Meeting will be available for examination by any stockholder for any purpose germane to the meeting during ordinary business hours at our headquarters in Boulder, Colorado and such list will be made available during our virtual meeting at www.virtualshareholdermeeting.com/zayo2018.

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Your vote is important. Voting over the Internet or by telephone, written proxy or voting instruction card will ensure your representation at the Annual Meeting regardless of whether you attend the virtual meeting.

By Order of the Board of Directors,

/s/ MATT STEINFORT

September 27, 2018

Matt Steinfort

Chief Financial Officer

Internet

Telephone

Mail

Virtual Meeting

Visit the Web site noted on your proxy card to vote via the Internet.

Use the toll-free telephone number on your proxy card to vote by telephone.

Sign, date and return your proxy card in the enclosed envelope to vote by mail.

Attend the virtual meeting.

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Proxy Statement

Summary

This proxy statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") of Zayo Group Holdings, Inc. ("Zayo" or the "Company") for the Annual Meeting of Stockholders of the Company to be held virtually on Tuesday, November 6, 2018, at 7:30 a.m. (Mountain Time), and any adjournment or postponement thereof (the "Annual Meeting"). The virtual Annual Meeting can be accessed by visiting www.virtualshareholdermeeting.com/zayo2018, where you will be able to listen to the meeting live, submit questions and vote online.

In this document, the words "Zayo," the "Company," "we," "our," "ours," and "us" refer only to Zayo Group Holdings, Inc. and not any other person or entity.

We are taking advantage of Securities and Exchange Commission ("SEC") rules that allow us to deliver proxy materials to our stockholders on the Internet. Under these rules, we are sending our stockholders a one-page notice regarding the Internet availability of proxy materials instead of a full printed set of proxy materials. Our stockholders will not receive printed copies of the proxy materials unless specifically requested. Instead, the one-page notice that our stockholders receive will tell them how to access and review on the Internet all of the important information contained in the proxy materials. This notice also tells our stockholders how to submit their proxy card on the Internet and how to request to receive a printed copy of our proxy materials. We expect to provide notice and electronic delivery of this proxy statement to such stockholders on or about September 27, 2018.

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PROXY SUMMARY

Please Vote

Whether or not you plan to attend the virtual annual meeting, we encourage you to vote promptly. A person giving a proxy has the power to revoke it. If you attend the virtual annual meeting, you may revoke your proxy and vote via the virtual meeting website.

Proposal No. 1	the election of the three directors named in this proxy statement	FOR	Page 5
Proposal No. 2	the ratification of KPMG LLP as our independent registered public accounting firm	FOR	Page 10
Proposal No. 3	an advisory vote approving executive compensation	FOR	Page 12
Proposal No. 4	approval of the adoption of an Amendment to the Current Certificate to phase out and eventually eliminate the classified structure of our Board of Directors	FOR	Page 13
Proposal No. 5	approval of the adoption of an Amendment to the Current Certificate to eliminate the supermajority voting requirement for amendments to the Current Certificate and for stockholder amendments to the Current Bylaws	FOR	Page 15
Proposal No. 6	approval of the adoption of an Amendment to the Current Certificate to impose certain stock ownership limitations and transfer restrictions in connection with the Company's previously announced plan to consider conversion to a real estate investment trust	FOR	Page 18
Proposal No. 7	approval of the adoption of an Amendment to the Current Bylaws to eliminate the supermajority voting requirement for stockholder amendments to the Current Bylaws	FOR	Page 20

Voting and Quorum, Abstentions and Broker Non-Votes

Only holders of record (the "Stockholders") of our common stock (the "Common Stock") as of the close of business on September 7, 2018 (the "Record Date") will be entitled to notice of and to vote at the Annual Meeting. At September 7, 2018 there were 246,469,980 shares of Common Stock outstanding. You may vote all shares owned by you as of the Record Date, including (i) shares held directly by you in your name as the Stockholder of record, and (ii) shares held for you as the beneficial owner in street name through a broker, bank, trustee or other nominee.

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PROXY SUMMARY

Stockholder of Record. If, on the Record Date, your shares were registered directly in your name with our transfer agent, Broadridge Financial Solutions, Inc., then you are considered the stockholder of record with respect to those shares. As a stockholder of record, you are entitled to vote in any one of the following ways:

Internet	Telephone	Mail	Virtual Meeting
<p>Stockholders can vote on the Internet by following the instructions provided in the one-page notice regarding the Internet availability of proxy materials.</p>	<p>Stockholders can vote over the telephone using the toll-free telephone number obtained by accessing the website set forth in the instructions provided in the one-page notice regarding the Internet availability of proxy materials.</p>	<p>Stockholders can vote by mail after requesting a paper copy of the proxy materials, including a proxy card, by following the instructions provided in the one-page notice regarding the Internet availability of proxy materials.</p>	<p>Stockholders who choose to attend the virtual Annual Meeting can vote via the virtual meeting website by visiting www.virtualshareholdermeeting.com/zayo2018. You will need the 16-digit control number included on your notice of Internet availability of proxy materials in order to participate in the virtual Annual Meeting. Instructions on how to attend and participate via the Internet, including how to demonstrate proof of stock ownership, are posted at www.proxyvote.com. Even if you plan to participate in the Annual Meeting online, we recommend that you also vote by proxy as described below so that your vote will be counted if you later decide not to participate in the Annual Meeting.</p>

Beneficial Owner. If, on the Record Date, your shares were held in an account with a brokerage firm, bank or other nominee, then you are the beneficial owner of the shares held in street name. As a beneficial owner, you have the right to direct your nominee on how to vote the shares held in your account, and your nominee has provided voting instructions for you to use in directing it on how to vote your shares. However, the organization that holds your shares is considered the stockholder of record for purposes of voting at the Annual Meeting. Because you are not the stockholder of record, you may not vote your shares at the virtual Annual Meeting unless you request and obtain a valid proxy from the organization that holds your shares giving you the right to vote the shares at the Annual Meeting.

Each share of Common Stock is entitled to one vote on all matters on which Stockholders may vote. There is no cumulative voting in the election of directors. The presence, in person or by proxy, of a majority of the voting power of the Common Stock outstanding and entitled to vote is necessary to constitute a quorum at the Annual Meeting. Shares of Common Stock represented by a properly executed and returned proxy will be treated as present at the Annual Meeting for purposes of determining the presence of a quorum without regard to whether the proxy is marked as casting a vote for or against, or withholding authority or abstaining with respect to a particular matter.

Broker non-votes occur when shares held by a broker for a beneficial owner are not voted either because (i) the broker did not receive voting instructions from the beneficial owner, or (ii) the broker lacked discretionary authority to vote the shares. Abstentions occur when shares present at the Annual Meeting are marked "abstain." A broker is entitled to vote shares held for a beneficial owner on "routine" matters without instructions from the beneficial owner of those shares. On the other hand, absent instructions from the beneficial owner of such shares, a broker is not entitled to vote shares held for a beneficial owner on "non-routine" matters. Accordingly, we encourage you to provide voting instructions to your broker, whether or not you plan to attend the virtual Annual Meeting. All of the proposals presented at the Annual Meeting, other than the ratification of KPMG LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2019 ("Fiscal 2019"), are

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non-routine matters. Broker non-votes and abstentions are counted for purposes of determining whether a quorum is present.

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Required Votes

Directors will be elected by a plurality of the votes cast. This means that the nominees with the most votes will be elected. Votes may be cast for or withheld from a nominee, but a withheld vote or a broker non-vote will not affect the outcome of the election of directors at the Annual Meeting.

The affirmative vote of the holders of a majority of the shares of Common Stock represented in person or by proxy at the Annual Meeting and entitled to vote on the proposal is required for approval of the ratification of our selection of KPMG LLP as our independent registered public accounting firm for Fiscal 2019. Because they represent votes present and entitled to vote that are not cast in favor of a proposal, abstentions have the same effect as votes "against" this proposal. Because the ratification of our independent registered public accounting firm is considered a "routine" matter, brokers will be entitled to vote on the proposal at their discretion. Therefore, broker non-votes will have the same effect as a vote against the proposal.

The affirmative vote of the holders of a majority of the shares of Common Stock represented in person or by proxy at the Annual Meeting and entitled to vote is required for approval of the advisory vote on executive compensation. Because they represent votes present and entitled to vote that are not cast in favor of a proposal, abstentions have the same effect as votes "against" the say-on pay proposal. Broker non-votes, however, will not be considered as entitled to vote on this proposal, and therefore, will have no effect on the outcome of this proposal.

The affirmative vote of the holders of 66²/₃% of the shares of Common Stock outstanding and entitled to vote thereon is required for approval of each of Proposals 4, 5, 6 and 7. Because they represent outstanding shares that are entitled to vote that are not cast in favor of a proposal, abstentions have the same effect as votes "against" these proposals. Broker non-votes, however, will not be considered as entitled to vote on these proposals, and therefore, will have no effect on the outcome of these proposals.

To the extent any or all of Proposals 4, 5, and 6, which propose amendments to the Current Certificate, receive the requisite stockholder approval and are not otherwise abandoned by the Board, the Board intends to restate and integrate (but not further amend) the Current Certificate, as amended by such amendments, in order to incorporate such amendments into a single amended and restated certificate of incorporation.

Revocation and Voting of Proxies

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time prior to the voting thereof by (i) delivering to the Corporate Secretary of the Company a revocation of proxy, (ii) executing a new proxy bearing a later date, or (iii) attending and voting at the virtual Annual Meeting. Attendance at the virtual Annual Meeting will not, by itself, revoke a proxy. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to revoke a proxy, you must contact that firm to revoke any prior voting instructions.

All valid, unrevoked proxies will be voted as directed. If a proxy card is properly executed and returned and no voting specification is indicated, the shares will be voted:

FOR the election of the three nominees named in this proxy statement for director of the Company;

FOR ratification of the selection of KPMG LLP as the Company's independent registered public accounting firm for Fiscal 2019;

FOR the non-binding advisory resolution to approve the compensation paid to our named executive officers for our fiscal year ended June 30, 2018 ("Fiscal 2018");

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FOR the approval of the adoption of an amendment to our Current Certificate to phase out and eventually eliminate the classified structure of our Board of Directors;

FOR the approval of the adoption of an amendment to the Current Certificate to eliminate the supermajority voting requirement for amendments to the Current Certificate and for stockholder amendments to the Current Bylaws;

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PROXY SUMMARY

FOR the approval of the adoption of an amendment to our Current Certificate to impose certain stock ownership limitations and transfer restrictions in connection with the Company's previously announced plan to consider conversion to a real estate investment trust; and

FOR the approval of the adoption of an amendment to our Current Bylaws to eliminate the supermajority voting requirement for stockholder amendments to the Current Bylaws.

With respect to such other matters as may properly come before the Annual Meeting, votes will be cast in the discretion of the appointed proxies.

Proxy Solicitation

We are making this proxy solicitation both through the mail and Internet, although proxies may be solicited by personal interview, telephone, facsimile, letter, e-mail or otherwise. Certain of our directors, officers and other employees, without additional compensation, may participate in the solicitation of proxies. We will pay the cost of this solicitation, including the reasonable charges and expenses of brokerage firms and others who forward solicitation materials to beneficial owners of the Common Stock.

Attending the Virtual Annual Meeting

Stockholders as of the Record Date are invited to attend the virtual Annual Meeting by visiting www.virtualshareholdermeeting.com/zayo2018. To participate in the Annual Meeting, you will need the 16-digit control number included on your notice of Internet availability of the proxy materials. The Annual Meeting will begin promptly at 7:30 a.m. (Mountain Time). Online check-in will begin at 7:25 a.m., (Mountain Time), and you should allow sufficient time for the online check-in procedures.

Voting Results

Voting results will be tabulated and certified by the inspector of elections appointed for the Annual Meeting. The preliminary voting results will be announced at the Annual Meeting. The final results will be tallied by the inspector of elections and filed with the Securities and Exchange Commission (the "SEC") in a current report on Form 8-K within four business days of the Annual Meeting.

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Proposal 1. Election of Directors

It is proposed to elect the three directors nominated in this proxy statement to serve until the annual meeting of stockholders in 2021 and until successors shall have been duly elected and qualified. Proxies cannot be voted for more than three persons. Unless otherwise specified in the accompanying proxy, the shares voted by proxy will be voted FOR the election of the persons listed for a term expiring in 2021.

Each of the nominees listed below has agreed to serve as a director of the company if elected. The Company knows of no reason why the nominees would not be available for election or, if elected, would not be able to serve. If any of the nominees are unable to serve or for good cause will not serve as a nominee at the time of the Annual Meeting, the persons named as proxies may vote for a substitute nominee designated by the Board to fill the vacancy.

Nominees for Director with Term Expiring at the Annual Meeting of Stockholders in 2021

Dan Caruso

Chief Executive Officer

Chairman of the Board

Mr. Caruso brings to the Board extensive leadership experience and, as our cofounder, significant knowledge of the Company's business, strategy and industry.

Experience

Director
Since: 2007
Age:(1) 55

Mr. Caruso is one of Zayo's co-founders and has served as Chief Executive Officer and Chairman of the Board since Zayo's inception in 2007. Between 2004 and 2006, Mr. Caruso was President and CEO of ICG Communications, Inc. ("ICG"). In 2004, he led a buyout of ICG and took it private. In 2006, ICG was sold to Level 3 Communications, Inc. ("Level 3"). Prior to ICG, Mr. Caruso was one of the founding executives of Level 3, and served as their Group Vice President from 1997 through 2003 where he was responsible for Level 3's engineering, construction, and operations organization and most of its lines of business and marketing functions at different times. Prior to Level 3, Mr. Caruso was a member of the MFS Communications Company, Inc. ("MFS Communications") senior management team. He began his career at Illinois Bell Telephone Company, a former subsidiary of Ameritech Corporation. He holds an MBA from the University of Chicago and a B.S. in Mechanical Engineering from the University of Illinois.

Don Gips

Independent Director

Compensation Committee Member

Strategy Committee Member

Director Since: July
2013

Age:(1) 58

Mr. Gips was appointed Director as a result of his extensive experience in the telecommunications industry.

Experience

Mr. Gips serves as a Partner at the Albright Stonebridge Group, as a Senior Advisor to the Blackstone Group, and as Venture Partner to Columbia Capital. He is a member of the boards of directors of Liquid Telecom, a privately-held company that provides data, voice and IP services in Africa, Omnispace, LLC, a privately-held global satellite provider, Black Rhino, a privately-held power development company based in Africa, and NextNav, a privately-held geolocation provider. He also serves on the board of the African Leadership University. From 2008 to 2016, Mr. Gips held several positions in the Obama Administration. He served as assistant to President Obama during the Presidential transition, ran the office of Presidential Personnel, and served as the United States Ambassador to South Africa from July 2009 until January 2013. From 1998 to 2008, Mr. Gips worked in the Clinton Administration as Chief Domestic Policy Advisor to Vice President Al Gore and as Chief of the International Bureau of the Federal Communications Commission. From 1998 to 2008, Mr. Gips was also Group Vice President of Global Corporate Development for Level 3. Before 1998, Mr. Gips was a management consultant to Fortune 500 companies at McKinsey & Company. Mr. Gips received an MBA from the Yale School of Management where he was recently honored as a Donaldson Fellow and received his undergraduate degree from Harvard University.

(1)

Age as of September 7, 2018.

PROPOSAL 1. ELECTION OF DIRECTORS

Scott Drake

Independent Director Nominee

Mr. Drake was nominated to be elected as a Director as a result of his extensive experience leading and serving as CEO and board member of publicly traded companies.

Experience

Director Nominee

Age:(1) 51

Scott Drake has served as President and CEO of ViewRay, Inc. (NASDAQ: VRAY), a medical device manufacturer, since July 2018. He previously served as President and Chief Executive Officer of medical device manufacturer, The Spectranetics Corporation (NASDAQ: SPNC) from 2011 to 2017. Prior to joining Spectranetics, Mr. Drake served as Senior Vice President, Operations, of DaVita, Inc. (NYSE: DVA), a leading U.S. provider of kidney care and dialysis. Previously, Mr. Drake spent 17 years in several leadership positions within numerous health care business units at Covidien. From 2006 to 2009, Mr. Drake was Global Business Unit President, Respiratory and Monitoring Solutions. He is Chairman of the Boards of AtriCure (NASDAQ: ATRC) and Just Right Surgical and serves on the board of directors of the Medical Device Manufacturers Association (MDMA). Mr. Drake graduated from the Miami University of Ohio with a Bachelor of Science in Business.

The following persons shall continue to serve as directors for the terms indicated:

Directors with Terms Expiring at the Annual Meeting of Stockholders in 2019

Rick Connor

Independent Director

Audit Committee Chairman

Mr. Connor was appointed Director as a result of his extensive technical accounting and auditing background, knowledge of SEC filing requirements and experience with

telecommunications clients.

Director Since: June
2010

Experience

Age:(1) 69

Mr. Connor is retired. Prior to his retirement in 2009, he was an audit partner with KPMG LLP where he served clients in the telecommunications, media and energy industries for 38 years. From 1996 to 2008, he served as the Managing Partner of KPMG's Denver office. Mr. Connor is a member of the board of directors and Chairman of the audit committee of Antero Resources Corporation, an independent oil and natural gas corporation and Antero Resources Midstream Management LLC, the general partner of Antero Midstream Partners LP, a master limited partnership formed by Antero Resources Corporation. Mr. Connor is also a member of the board of directors and Chairman of the audit committee of Centerra Gold, Inc., a Toronto based gold mining company listed on the Toronto Stock Exchange. Mr. Connor earned his B.S. degree in accounting from the University of Colorado.

(1)

Age as of September 7, 2018.

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PROPOSAL 1. ELECTION OF DIRECTORS

Cathy Morris

Independent Director

Audit Committee Member

Compensation Committee Chairman

Director Since:
November 2017

Ms. Morris was appointed Director as a result of her extensive strategic, leadership, operational and financial experience in the technology area.

Age:(1) 60

Experience

Ms. Morris serves as Senior Vice President and Chief Strategy Officer for Arrow Electronics, Inc. ("Arrow"), a publicly-traded global provider of products, services and solutions to industrial and commercial users of electronic components and enterprise computing solutions. Ms. Morris leads strategic initiatives for Arrow, including global merger and acquisition activity. Ms. Morris has worked at Arrow for over 20 years in progressively senior roles including President of Arrow's Enterprise Computing Solutions segment, Vice President of North American Support Services Operations, Vice President of Finance and Support Services for the enterprise computing solutions business, and Vice President of Corporate Development. Ms. Morris came to Arrow through its acquisition of Anthem Electronics, where she was Vice President of Finance and Corporate Controller. Prior to joining Arrow, Ms. Morris held various financial leadership roles in the banking and manufacturing industries. From 2014 to 2015 she served as a member of the board of directors and chair of the audit committee for GrafTech International Holdings Inc., a manufacturing company listed on the New York Stock Exchange. She received her bachelor's degree in finance from Colorado State University and completed Harvard Business School's General Management Program.

Emily White

Independent Director

Strategy Committee Member

Ms. White was appointed Director as a result of her extensive experience in entrepreneurship and her operational and leadership experience in the technology area.

Director Since: April 2017

Experience

Age:(1) 40

From 2014 to 2015, Ms. White was the Chief Operating Officer at Snapchat, Inc., a photo messaging company listed on the NYSE. Prior to joining Snapchat, Ms. White held several key roles at Facebook, a social media corporation listed on NASDAQ, from 2010 to 2013, including Director of Local Business Operations, Director of Mobile Business Operations, and leader of business operations for Instagram. From 2001 to 2010, Ms. White worked at Google. Ms. White has served on the board of directors of Lululemon, a yoga outfitter listed on NASDAQ, since 2011 and the board of directors of Graco, Inc, a publicly traded fluid handling systems and components company listed on the New York Stock Exchange since 2018. She is an advisor and former board member of the National Center for Women in I.T. and is also a Board Adviser to Virgin Hyperloop One and VSCO, Inc. Ms. White received her B.A. in Art History from Vanderbilt University.

(1)

Age as of September 7, 2018.

PROPOSAL 1. ELECTION OF DIRECTORS

Directors with Terms Expiring at the Annual Meeting of Stockholders in 2020

Phil Canfield

Independent Director

Lead Director

Director Since: July
2012

Age:(1) 50

Nominating & Governance Committee Chairman

Mr. Canfield was appointed Director as a result of his extensive experience in corporate finance and in the telecommunications industry.

Experience

Mr. Canfield is a Managing Director of private equity firm GTCR LLC ("GTCR") and co-heads GTCR's Technology, Media and Telecommunications investment team. Mr. Canfield joined GTCR in 1992 and is currently a Managing Director. From 1990 to 1992, Mr. Canfield worked in the Corporate Finance Department at Kidder, Peabody and Company. Since June 2017, Mr. Canfield has served on the board of directors of Cision Ltd., a global public relations and earned media software company and services provider listed on the New York Stock Exchange, and he currently serves on several private company boards. He holds an M.B.A. from the University of Chicago and a B.B.A. in finance with High Honors from the Honors Business Program at the University of Texas.

Steve Kaplan

Independent Director

Audit Committee Member

Compensation Committee Member

Director Since: April
2017

Age:(1) 58

Mr. Kaplan was appointed Director as a result of his extensive experience in entrepreneurship, corporate finance and compensation.

Experience

Since 2011, Mr. Kaplan has served as Neubauer Family Distinguished Service Professor of Entrepreneurship and Finance at University of Chicago Booth School of Business ("Booth"). From 1999 to 2011, Mr. Kaplan served as Neubauer Family Professor of Entrepreneurship and Finance at Booth. From 1997 to 1999, Mr. Kaplan served as Leon Carroll Marshall Professor of Finance at Booth. In 2013, Mr. Kaplan also began teaching at the University of Chicago Law School, recognized in 2014 as the Thomas Cole Distinguished Visiting Professor Chair. During his tenure at University of Chicago, he has served as the Faculty Director of Chicago Booth's Polsky Center for Entrepreneurship and Innovation and as Research Associate at the National Bureau of Economic Research. In 1997, Mr. Kaplan helped to start Booth's business plan competition, the New Venture Challenge, which has spawned over 180 companies. Mr. Kaplan currently serves on the board of directors and is chairman of the compensation committee of Morningstar, Inc., a provider of independent investment research in North America, Europe, Australia, and Asia listed on NASDAQ, since 1999. He also served on the board of trustees of the Columbia Acorn Funds until December 2016 and served on the board of directors of Accretive Health, Inc. (now R1 RCM Inc.) from 2004 to 2015. Mr. Kaplan earned his PhD in Business Economics from Harvard University and an AB in Applied Mathematics and Economics from Harvard College.

(1)

Age as of September 7, 2018.

PROPOSAL 1. ELECTION OF DIRECTORS

Linda Rottenberg

Independent Director

Nominating & Governance Committee Member

Strategy Committee Member

Director Since: May
2014

Ms. Rottenberg was appointed Director as a result of her extensive experience in entrepreneurship, innovation, business development and leadership.

Age:(1) 49

Experience

Ms. Rottenberg is co-founder and Chief Executive Officer of Endeavor Global, Inc., a global entrepreneurship movement founded in 1997. Ms. Rottenberg also leads Endeavor Catalyst LP Funds I and II, funds that invest in Endeavor Entrepreneurs. Ms. Rottenberg also serves on the board of directors of Globant SA, a digitally native technology services company listed on the NYSE, and privately-held online ordering platform Olo. Ms. Rottenberg earned a law degree at Yale Law School and a bachelor's degree from Harvard University.

(1)

Age as of September 7, 2018.

Recommendation of the Board

The Board recommends a vote **FOR** the nominees for director named above.



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Proposal 2. Ratification of Appointment of Independent Registered Public Accounting Firm

The Audit Committee of the Board has appointed KPMG LLP as our independent registered public accounting firm for Fiscal 2019. Services provided to the Company by KPMG LLP in Fiscal 2018 and the fiscal year ended June 30, 2017 ("Fiscal 2017") are described below.

The Company is asking its stockholders to ratify the selection of KPMG LLP as its independent registered public accounting firm. Although ratification is not required by the Company's bylaws or otherwise, the Board is submitting the selection of KPMG LLP to its stockholders for ratification as a matter of good corporate practice.

A representative of KPMG LLP will be present at the virtual Annual Meeting and will have an opportunity to make a statement and/or to respond to appropriate questions from our stockholders.

Audit Fees

In connection with the audit of the Fiscal 2018 consolidated financial statements, the Company entered into an engagement agreement with KPMG LLP, which set forth the terms by which KPMG LLP agreed to perform audit services for the Company.

Set forth below is information relating to the aggregate fees paid to KPMG LLP for professional services rendered for Fiscal 2018 and Fiscal 2017, respectively.

(1) Audit fees	\$ 3.7	\$ 4.4
(2) Audit-related fees	\$ 0.3	
(3) Tax fees	\$ 0.1	\$ 0.3
(4) All other fees		

For the purposes of the preceding table, the professional fees are classified as follows:

Audit fees These are the aggregate fees billed for the fiscal years shown for professional services performed by KPMG LLP for the audit of the Company's consolidated financial statements for that year, comfort letters, consents and reviews of interim/quarterly financial information.

Audit-related fees These are fees billed for assurance and related services and foreign statutory audits that are traditionally performed by our independent certified public accounting firm.

Tax fees These are fees billed for all professional services by professional staff of our independent registered public accounting firm's tax division, except those services related to the audit of our financial statements. These include fees for tax compliance, tax planning and tax advice. Tax compliance involves preparation of original and amended tax returns, refund claims and tax payment services. Tax planning and tax advice encompass a diverse range of subjects, including assistance with tax audits and appeals; tax advice related to mergers, acquisitions and dispositions; and requests for rulings or technical advice from taxing authorities.

It is the policy of the Audit Committee, as set forth in the Audit Committee's Charter, to pre-approve, consistent with the requirements of the federal securities laws, all auditing services and permissible non-audit services provided to the Company by its independent registered public accounting firm. The Audit Committee has

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PROPOSAL 2. RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

established policies and procedures for the pre-approval of audit, audit related, tax and permissible other services to be provided to the Company by its independent registered public accounting firm. The Audit Committee has delegated to the chair of the Audit Committee the authority to pre-approve audit-related and non-audit services not prohibited by law to be performed by our independent registered public accounting firm and associated fees up to a maximum of \$100,000 per engagement, per additional category of services or in excess of pre-approved budgeted levels for the specified service, provided that the chair shall report any decisions to pre-approve services and fees to the full Audit Committee at its next regular meeting. The Company provides quarterly reporting to the Audit Committee regarding services performed by and fees paid to its independent registered public accounting firm. Audit fees for Fiscal 2018 and 2017 included \$0.0 million and \$0.3 million, respectively, for services related to SEC filings, including comfort letters and consents. All fees listed in the table above were pre-approved by the Audit Committee.

Recommendation of the Board

The Board recommends that stockholders vote **FOR** ratification of the appointment of KPMG LLP as the Company's independent registered public accounting firm for Fiscal 2019.

In the event that the Company's stockholders do not ratify the appointment, the appointment will be reconsidered by the Audit Committee and the Board. Even if the selection is ratified, the Audit Committee in its discretion may select a different registered public accounting firm at any time during the fiscal year if it determines that such a change would be in the best interests of the Company and its stockholders.

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Proposal 3. Advisory Vote Approving Executive Compensation

In accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, we are providing our stockholders with the opportunity to make a non-binding, advisory resolution to approve the compensation of our named executive officers as disclosed in this proxy statement in accordance with rules promulgated by the SEC.

The Company asks that you indicate your support for our executive compensation policies and practices as described in "Compensation Discussion and Analysis," and the accompanying tables and related disclosures in this proxy statement. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers, and the policies and practices described in this proxy statement. Your vote is advisory and so will not be binding on the Compensation Committee or the Board. However, the Board will review the voting results and take them into consideration when structuring future executive compensation arrangements. The affirmative vote of the holders of a majority of the shares of Common Stock represented in person or by proxy at the annual meeting and entitled to vote on the proposal will be required for approval.

We believe that our compensation philosophy and program design are essential elements of our culture and have led to our success in delivering returns for our shareholders. Our unique program provides us with a competitive advantage in successfully attracting talent in an industry that includes publicly traded communication infrastructure companies as well as organizations backed by private investment capital. Accordingly, the following distinctive elements of our executive compensation program support our company strategy:

Our fundamental premise of delivering industry-leading returns for shareholders and appropriately sharing incremental value created with our executives and employees.

Our extensive reliance on equity-based pay to align executive pay with shareholder value creation.

Our strict use of financial and market return performance criteria as determinants of both cash bonuses and earned stock grants.

Further, we do not believe that our executive compensation program encourages our management to take excessive risks.

The Board encourages you to carefully review the information regarding our executive compensation program contained in this Proxy Statement, including the Compensation Discussion and Analysis beginning on page 36, which provides detailed information on the compensation of our named executive officers.

Recommendation of the Board

The Board Recommends that stockholders vote **FOR** the below resolution.

"RESOLVED, that the stockholders approve, on an advisory basis, the compensation of the Company's named executive officers, as disclosed in this Proxy Statement pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables, notes and narrative discussion."



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Proposal 4. Approval of the adoption of an Amendment to our Amended & Restated Certificate of Incorporation to phase out and eventually eliminate the classified structure of our Board of Directors

Upon careful consideration, our Board voted to approve and declare advisable, and to recommend to our stockholders that they approve the adoption of, an amendment to Section 5.2 of the Amended & Restated Certificate of Incorporation of the Company currently in effect (the "Current Certificate"), which will phase out and eventually eliminate the classified structure of our Board of Directors (the "Declassification Amendment").

The complete text of the Declassification Amendment is included in Exhibit A hereto. The description in this proposal is qualified in its entirety by reference to the complete text provided in Exhibit A hereto.

Declassification of the Board

General. We are asking you to approve the adoption of the Declassification Amendment to eliminate the classified structure of our Board. If approved, the Declassification Amendment will provide for all directors elected by the stockholders after this Annual Meeting to be elected for one-year terms.

Our Current Certificate divides the Board into three classes, with directors of each class being elected to serve three-year terms. This creates the staggered, or "classified," board structure that has been in effect since we became a publicly traded company in 2014.

The Declassification Amendment would amend Section 5.2 of the Current Certificate to phase-out our Board's classified structure and eliminate that classified structure entirely by the annual meeting of stockholders in 2021. If the Declassification Amendment is adopted, then each director who stands for reelection at and after the 2019 annual meeting of stockholders will be elected for a one-year term, expiring at the next year's annual stockholder meeting. As a result, assuming the Declassification Amendment is approved, the Board structure will be completely declassified at the 2021 annual meeting of stockholders when the Directors standing for reelection at this Annual Meeting have completed their final three-year term.

Purpose of the Declassification Amendment. In making its determination, the Board considered arguments in favor of and against continuation of the classified board and determined that it is in the Company's best interests to propose to declassify its Board. In its review, the Board considered the advantages of maintaining the classified Board structure, including that a classified Board structure promotes Board continuity and stability and encourages a long-term perspective by company management, because a majority of directors will always have experience as directors of the Company. Classified boards also provide protection against certain abusive takeover tactics and more time to solicit higher bids in a hostile takeover situation because it is more difficult to change a majority of directors on the board in a single year. While the Board continues to believe that these are important considerations, the Board also considered potential advantages of declassification, including the ability of stockholders to evaluate directors annually. Annually elected boards are perceived by many institutional stockholders as increasing the accountability of directors to such stockholders. Lastly, our management also engaged directly with many of our largest shareholders to get their perspectives and the feedback was uniformly positive and supportive of the declassification of the Board. After carefully weighing all of these considerations, the Board approved and declared advisable the proposed Declassification Amendment and recommended that the stockholders approve the adoption of the Declassification Amendment by voting in favor of this proposal.

If our stockholders do not approve this proposal, then our classified Board structure will continue to be effective until the Current Certificate is otherwise amended to eliminate the classified Board.

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PROPOSAL 4. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR AMENDED & RESTATED CERTIFICATE OF INCORPORATION TO PHASE OUT AND EVENTUALLY ELIMINATE THE CLASSIFIED STRUCTURE OF OUR BOARD OF DIRECTORS

Vote Required; Effect of Voting

Approval of the Declassification Amendment requires the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the shares of Common Stock outstanding and entitled to vote thereon. If the Declassification Amendment is approved, then it will become effective upon filing an amendment to the Current Certificate with the Delaware Secretary of State, which filing the Company expects to make promptly after the Annual Meeting, assuming the Declassification Amendment is approved by stockholders.

The Board may abandon the Declassification Amendment, notwithstanding approval of the adoption of the Declassification Amendment by the stockholders and without further action by the stockholders, at any time prior to the effectiveness of the filing of the Declassification Amendment with the Delaware Secretary of State.

Recommendation of the Board

The Board Recommends that stockholders vote **FOR** the approval of the Declassification Amendment.

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Proposal 5. Approval of the adoption of an amendment to the Current Certificate to eliminate the supermajority voting requirement for amendments to the Current Certificate and for stockholder amendments to the Amended and Restated Bylaws of the Company

Upon careful consideration, our Board voted to approve and declare advisable, and to recommend to our stockholders that they approve the adoption of, an amendment to Section 9.1 and Section 9.2 to the Current Certificate, which will eliminate the supermajority voting requirement for certain amendments to the Current Certificate and for stockholder amendments to the Amended and Restated Bylaws of the Company, respectively (the "Current Bylaws" and such amendment, the "Supermajority Amendment").

The complete text of the Supermajority Amendment is included in Exhibit B hereto. The description in this proposal is qualified in its entirety by reference to the complete text provided in Exhibit B hereto.

Eliminate Supermajority Voting Requirement for Amendments to the Current Certificate and Current Bylaws

General. The Current Certificate requires the affirmative vote of the holders of 66²/₃% of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, in order to adopt certain amendments thereto and for stockholders to amend the Current Bylaws. If the supermajority voting requirement is eliminated, amendments to the Company's certificate of incorporation that would have required supermajority stockholder approval under the Current Certificate will instead require approval of the holders of a majority of the voting power of all of the shares of Common Stock outstanding and entitled to vote thereon, which is required by applicable law, and stockholder amendments to the Current Bylaws will instead require approval of the holders of a majority of the voting power of all of the shares of Common Stock outstanding and entitled to vote thereon, voting together as a single class.

Purpose of the Amendment. After evaluation, the Board has determined that, while the current supermajority voting requirements imposed by the Current Certificate are designed to ensure that interests of all stockholders are fully protected, the Board recognizes that there are different perspectives on this matter and compelling arguments for the elimination of supermajority voting requirements to amend a company's charter and bylaws, including growing sentiment that the elimination of such a provision provides stockholders greater ability to participate in the corporate governance of a company. The Board has also determined that an increasing number of companies are beginning to view such a voting requirement as overly burdensome. After carefully weighing all of these considerations, the Board approved and declared advisable the proposed Supermajority Amendment and recommended that the stockholders approve the adoption of the Supermajority Amendment by voting in favor of this proposal.

If our stockholders do not approve this proposal, certain amendments to the Current Certificate and stockholder amendments to the Current Bylaws will continue to require the approval of 66²/₃% of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class.

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PROPOSAL 5. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO THE CURRENT CERTIFICATE TO ELIMINATE THE SUPERMAJORITY VOTING REQUIREMENT FOR AMENDMENTS TO THE CURRENT CERTIFICATE AND FOR STOCKHOLDER AMENDMENTS TO THE CURRENT BYLAWS

Vote Required; Effect of Voting

Approval of the Supermajority Amendment requires the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the shares of Common Stock outstanding and entitled to vote thereon. If the Supermajority Amendment is approved, then it will become effective upon filing an amendment to the Current Certificate with the Delaware Secretary of State, which filing the Company expects to make promptly after the Annual Meeting, assuming the Supermajority Amendment is approved by stockholders.

The Board may abandon the Supermajority Amendment, notwithstanding approval of the adoption of the Supermajority Amendment by the stockholders and without further action by the stockholders, at any time prior to the effectiveness of the filing of the Supermajority Amendment with the Delaware Secretary of State.

Recommendation of the Board

The Board Recommends that stockholders vote **FOR** the approval of the Supermajority Amendment.

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Proposal 6. Approval of the adoption of an amendment to our Current Certificate to impose certain stock ownership limitations and transfer restrictions in connection with the Company's previously announced plan to consider conversion to a real estate investment trust

Upon careful consideration, our Board voted to approve and declare advisable, and to recommend to our stockholders that they approve, the adoption of an amendment to Current Certificate, which would add to the Current Certificate a new Article XIII (such amendment, the "REIT Amendment"). Article XIII will impose certain stock ownership limitations and transfer restrictions in connection with the Company's previously announced plan to consider conversion to a real estate investment trust for US federal income tax purposes ("REIT").

The complete text of the REIT Amendment is included in Exhibit C hereto. The description in this proposal is qualified in its entirety by reference to the complete text provided in Exhibit C hereto.

Imposition of Stock Ownership Limitations and Transfer Restrictions in Connection with Proposed REIT Conversion

The proposed REIT Amendment imposes certain stock ownership limitations and transfer restrictions in connection with the Company's previously announced plan to consider conversion to a REIT (the "Conversion Plan"). The Board believes that the adoption of the REIT Amendment, and the imposition of the proposed stock ownership limitations and transfer restrictions, is advisable because the REIT Amendment will help the Company enforce requirements imposed on REITs by the Internal Revenue Code of 1986, as amended (the "Code"), should the Board make a definitive decision to convert to a REIT. We believe that the charters of substantially all public, listed REITs contain comparable stock ownership limitations and transfer restrictions.

REIT Qualification

For the Company to qualify for taxation as a REIT under the Code, Zayo stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year (other than the first year for which an election to be a REIT has been made). Also, not more than 50% of the value of the outstanding shares of Zayo stock may be owned, directly or indirectly, by five or fewer "individuals" (as defined in the Code to include certain entities, such as private foundations) during the last half of a taxable year (other than the first taxable year for which an election to be a REIT has been made). Finally, a person actually or constructively owning 10% or more of the vote or value of the outstanding shares of Zayo stock could lead to a level of affiliation between the Company and one or more of its customers that would negatively impact the tax treatment of the Company's revenues from such customer or customers and could jeopardize or otherwise adversely impact the Company's qualification and taxation as a REIT.

Ownership Limitations and Transfer Restrictions

To satisfy ownership and other REIT qualification requirements, and to otherwise protect the Company from the adverse tax consequences for REITs arising from concentrated stock ownership, the REIT Amendment contains provisions restricting the ownership and transfer of shares of all classes or series of Zayo stock, including, without limitation, common stock or any series of preferred stock. The Board believes that including ownership limitations and transfer restrictions in a REIT's charter is the most effective mechanism to monitor compliance with the above-described Code requirements. In order to proceed with the Conversion Plan we must be able to monitor compliance with these requirements effectively.

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PROPOSAL 6. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR CURRENT CERTIFICATE TO IMPOSE CERTAIN STOCK OWNERSHIP LIMITATIONS AND TRANSFER RESTRICTIONS IN CONNECTION WITH THE COMPANY'S PREVIOUSLY ANNOUNCED PLAN TO CONSIDER CONVERSION TO A REAL ESTATE INVESTMENT TRUST

The REIT Amendment provides that, subject to the exceptions and the constructive ownership rules described in this proposal, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, in excess of (i) 9.8% in value of the outstanding shares of all classes or series of Zayo stock or (ii) 9.8% in value or number (whichever is more restrictive) of the outstanding shares of any class or series of Zayo stock. We refer to these restrictions as the "ownership limitations." The "ownership limitations" become effective from and after the date the REIT Amendment is filed with the Delaware Secretary of State.

The applicable constructive ownership rules under the Code are complex and may cause Zayo stock owned actually or constructively by a group of related individuals and/or entities to be treated as owned by one individual or entity. As a result, an individual's or entity's acquisition of less than 9.8% in value of the outstanding shares of Zayo stock or less than 9.8% in value or number of outstanding shares of any class or series of Zayo stock (including through the acquisition of an interest in an entity that owns, actually or constructively, shares of any class or series of Zayo stock) nevertheless may cause a violation of the ownership limitations described in this proposal.

The REIT Amendment also provides that the Board may, prospectively or retroactively and in its sole discretion, with respect to any person, (i) exempt such person from the ownership limitations and certain other REIT limitations on ownership and transfer of Zayo stock described in this proposal and (ii) establish different ownership limitations for any such person. The Board, however, may not exempt from the ownership limitations any person whose ownership of outstanding Zayo stock in violation of these limitations would result in the Company failing to qualify for taxation as a REIT. Pursuant to the terms of the REIT Amendment, prior to granting any person an exemption or a different ownership limitation, the Board in its sole discretion (i) may require that such person provide representations and undertakings reasonably necessary to ascertain that such person's total deemed Zayo stock ownership does not and will not jeopardize the Company's qualification for taxation as a REIT; (ii) may require that such person agree that any violation or attempted violation of such representations or undertakings (or other action contrary to the ownership limitations and restrictions set forth in the REIT Amendment) will result in the remedies described below; (iii) may require an opinion of counsel or a ruling by the Internal Revenue Service (the "IRS"), in form and substance satisfactory to the Board, with respect to the Company's qualification for taxation as a REIT; and (iv) may impose any other conditions that the Board deems appropriate.

In connection with any waiver of the ownership limitations or at any other time, the REIT Amendment permits the Board, from time to time, to increase the ownership limitations for one or more persons and decrease the ownership limitations for some or all other persons, provided that the new ownership limitations may not, after giving effect to such increase and under certain assumptions set forth in the REIT Amendment, result in the Company being "closely held" within the meaning of Section 856(h) of the Code (without regard to whether the ownership interests are held during the last half of a taxable year). Reduced ownership limitations will not apply to any person whose ownership of total outstanding shares of Zayo stock or of any class or series of Zayo stock, as applicable, exceeds such decreased ownership limitations until such time as such person's ownership of Zayo stock equals or falls below the decreased ownership limitations, at which time any further acquisition of Zayo stock resulting in such person exceeding the decreased ownership limitations will be in violation of the decreased ownership limitations.

The REIT Amendment further prohibits any person from (i) transferring shares of Zayo stock if such transfer would result in shares of Zayo stock being beneficially owned by fewer than 100 persons (determined under the principles of Section 856(a)(5) of the Code) and (ii) beneficially or constructively owning shares of Zayo stock if such ownership would result in the Company failing to qualify for taxation as a REIT.

At any time after the foregoing ownership limitations become effective, if the Board determines that it is no longer in the best interests of the Company to attempt to qualify, or to continue to qualify, for taxation as a REIT or that compliance with all or any of the ownership limitations is no longer determined to be advisable by

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PROPOSAL 6. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR CURRENT CERTIFICATE TO IMPOSE CERTAIN STOCK OWNERSHIP LIMITATIONS AND TRANSFER RESTRICTIONS IN CONNECTION WITH THE COMPANY'S PREVIOUSLY ANNOUNCED PLAN TO CONSIDER CONVERSION TO A REAL ESTATE INVESTMENT TRUST

the Board in order for the Company to qualify for taxation as a REIT, then such limitations will have no further force and effect.

Pursuant to the terms of the REIT Amendment, any person who acquires or attempts to acquire beneficial or constructive ownership of shares of Zayo stock that will or may violate the ownership limitations or any of the other foregoing restrictions on transferability and ownership will be required to give written notice to the Company immediately (or, in the case of a proposed or attempted transaction, at least 15 days prior to such transaction) and provide the Company with such other information as the Company requests.

In addition, the terms of the REIT Amendment provide that if there is any purported transfer of shares of Zayo stock or other event or change of circumstances that would violate any of the restrictions described in this proposal, then the number of shares causing the violation will be automatically transferred to a charitable trust, or multiple charitable trusts, for the exclusive benefit of a designated charitable beneficiary or beneficiaries, except that any transfer that results in a violation of the restriction relating to Zayo stock being beneficially owned by fewer than 100 persons will be automatically void and of no force or effect. The automatic transfer will be effective as of the close of business on the business day prior to the date of the purported transfer or other event or change of circumstances that requires the transfer to a charitable trust. The person that would have owned the shares if they had not been transferred to a charitable trust is referred to herein as the "prohibited owner." Any dividend paid to the prohibited owner prior to the discovery by the Company that the shares had been automatically transferred to a charitable trust as described in this proposal must be repaid to the charitable trustee upon demand. If the transfer to a charitable trust as described in this proposal is not automatically effective, for any reason, to prevent violation of the applicable restriction contained in the REIT Amendment, then the transfer of the excess shares will be automatically void and of no force or effect.

Pursuant to the terms of the REIT Amendment, shares of Zayo stock transferred to a charitable trustee are deemed to be offered for sale to the Company, or its designee, at a price per share equal to the lesser of (i) the price per share in the transaction that resulted in such transfer to the charitable trust or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in charitable trust (e.g., in the case of a gift, devise or other such transaction), the market price at the time of such event, and (ii) the market price on the date the Company or its designee accepts such offer. The Company has the right to accept such offer until the charitable trustee sells the shares of Zayo stock held in the charitable trust. The net proceeds of any such sale to the Company (or its designee) shall be distributed in a similar way as described below in the context of a sale to a third party.

If the Company does not buy the shares, a charitable trustee must, as soon as reasonably practicable after receiving notice from the Company of the transfer of shares to a charitable trust, sell the shares to a person or entity who could own the shares without violating the restrictions described in this proposal. Upon such sale, the interest of the charitable beneficiary in the shares sold will terminate, and the trustee of the charitable trust will distribute the net proceeds of the sale to the prohibited owner and to the beneficiary of the charitable trust as follows:

The prohibited owner will receive the lesser of (i) the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in charitable trust (e.g., in the case of a gift, devise or other such transaction), the market price of the shares on the day of the event causing the shares to be held in the charitable trust, and (ii) the sales proceeds received by the charitable trustee for the shares plus any extraordinary dividends or other extraordinary distributions received by the charitable trustee (net of any commissions and other expenses of the charitable trustee and the Company from the sale or other disposition of the shares of Zayo stock held in trust by the charitable trustee); and

Any net sales proceeds and any dividends or other distributions (whether ordinary or extraordinary) in excess of the amount payable to the prohibited owner, less the costs, expenses and compensation of the charitable trustee and the Company, shall be promptly distributed to the charitable beneficiary.



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PROPOSAL 6. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR CURRENT CERTIFICATE TO IMPOSE CERTAIN STOCK OWNERSHIP LIMITATIONS AND TRANSFER RESTRICTIONS IN CONNECTION WITH THE COMPANY'S PREVIOUSLY ANNOUNCED PLAN TO CONSIDER CONVERSION TO A REAL ESTATE INVESTMENT TRUST

A charitable trustee may reduce the amount that is payable to the prohibited owner by the amount of any dividends or other distributions (whether ordinary or extraordinary) that the Company paid to the prohibited owner before the discovery by the Company that the shares had been transferred to the charitable trust and that is owed by the prohibited owner to the charitable trustee as described in this Proposal. In addition, if prior to discovery by the Company that shares of Zayo stock have been transferred to a charitable trust, such shares of stock are sold by a prohibited owner, then such shares will be deemed to have been sold on behalf of the charitable trust and, to the extent that the prohibited owner received an amount for or in respect of such shares that exceeds the amount that such prohibited owner was entitled to receive as described in this Proposal, such excess amount shall be paid to the charitable trustee upon demand. The prohibited owner generally has no rights in the shares held by a charitable trustee.

A charitable trustee will be designated by the Company and must be unaffiliated with the Company and any prohibited owner. Prior to the sale of any shares by a charitable trust, the charitable trustee will receive, in charitable trust for the beneficiary, all distributions paid by the Company with respect to the shares and may also exercise all voting rights with respect to the shares.

In addition, if the Board determines that a proposed or purported transfer would violate the ownership limitations or transfer restrictions set forth in the REIT Amendment, the Board may take such action as it deems advisable to refuse to give effect to or to prevent such violation, including but not limited to causing the Company to redeem shares of Zayo stock, refusing to give effect to the transfer on the Company's books or instituting proceedings to enjoin the transfer.

These ownership limitations and transfer restrictions could have the effect of delaying, deferring or preventing a takeover or other transaction in which stockholders might receive a premium for their shares of Zayo stock over the then prevailing market price or which stockholders might believe to be otherwise in their best interest.

Disclosure of Stock Ownership by the Company's Stockholders

Under the REIT Amendment, within 30 days after the end of each taxable year and also within three business days after a request from the Company, every owner of 5% or more (or such lower percentage as required by law) of the outstanding shares of any class or series of Zayo stock must provide the Company written notice of certain information as provided in the REIT Amendment. In addition, each beneficial owner or constructive owner of Zayo stock, and any person (including the stockholder of record) who is holding shares of Zayo stock for a beneficial owner or constructive owner, will, upon demand, be required to provide the Company with such information as the Company may request in order to determine the Company's qualification for taxation as a REIT and its compliance with other applicable laws or requirements of any governmental authority.

Vote Required; Effect of Voting

Approval of the REIT Amendment requires the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the shares of Common Stock outstanding and entitled to vote thereon. If the REIT Amendment is approved, then it will become effective upon filing with the Delaware Secretary of State, which filing the Company expects to make promptly after the Annual Meeting, assuming that the REIT Amendment is approved by stockholders. If the REIT Amendment becomes effective, the stock ownership limitations and transfer restrictions will be binding on the shares held (or once held) by stockholders who voted in favor of this proposal and all shares of Zayo stock issued subsequent to the effective time of the REIT Amendment. However, in accordance with Section 202(b) of the General Corporation Law of the State of Delaware, the stock ownership limitations and transfer restrictions will not be binding on the shares held (or once held) by stockholders who did not vote in favor of this proposal or any shares of Zayo stock issued after the Record Date and prior to the effective time of the REIT Amendment. Without the approval of a significant majority of the shares of the Common Stock, the Board may consider whether the non-binding nature of the REIT Amendment on the shares held (or once held) by stockholders who did not vote for this proposal should cause it to consider other means



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PROPOSAL 6. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR CURRENT CERTIFICATE TO IMPOSE CERTAIN STOCK OWNERSHIP LIMITATIONS AND TRANSFER RESTRICTIONS IN CONNECTION WITH THE COMPANY'S PREVIOUSLY ANNOUNCED PLAN TO CONSIDER CONVERSION TO A REAL ESTATE INVESTMENT TRUST

of enforcing limitations on ownership of Zayo stock that would be required if the Company converts to a REIT. The Board reserves the right, notwithstanding stockholder approval (if obtained), to elect not to proceed with the Conversion Plan or to delay the implementation of the Conversion Plan, if the Board determines in its sole discretion that a REIT conversion is not in the best interests of the Company or its stockholders or because it identifies alternatives that it believes could create stockholder value more effectively than conversion to a REIT.

In addition, the Board may abandon the REIT Amendment, notwithstanding approval of the adoption of the REIT Amendment by the stockholders and without further action by the stockholders, at any time prior to the effectiveness of the filing of the REIT Amendment with the Delaware Secretary of State.

Certain Considerations regarding the REIT Amendment and the Conversion Plan

As noted, the imposition of the proposed stock ownership limitations and transfer restrictions included as part of the REIT Amendment is being proposed for approval by the stockholders in connection with the Conversion Plan. If the Company makes a definitive decision to convert to a REIT, the Company's stockholders will likely benefit from the Company's qualification and taxation as a REIT for example, through reduced corporate level federal and state income taxes, and through the Company's requirement to make regular REIT distributions to its stockholders.

Following the Company's current phase of evaluation and preparation, if the Company makes a definitive decision to convert to a REIT and is successful in qualifying for taxation as a REIT, it generally will be permitted to deduct from its U.S. federal income taxes the dividends that it pays to its stockholders. The income represented by such dividends would not be subject to federal income taxation at the entity level but would be taxed, if at all, at the stockholder level. Nevertheless, the income of the Company's domestic taxable REIT subsidiaries (each, a "TRS"), which will hold its U.S. operations that may not be REIT-compliant, will be subject, as applicable, to federal and state corporate income tax. Likewise, the Company's foreign subsidiaries will continue to be subject to foreign income taxes in jurisdictions in which they hold assets or conduct operations, regardless of whether held or conducted through TRSs or through entities that are disregarded from the Company for federal income tax purposes. Also, the Company will be subject to a separate corporate income tax on any gains recognized during a specified period (generally, five years) following the REIT conversion that are attributable to "built-in" gains with respect to the assets that it owns on the date it converts to a REIT.

The Company's ability to qualify for taxation as a REIT will depend upon its continuing compliance following its REIT conversion with various requirements, including requirements related to the widely-held status of its outstanding stock, the nature of its assets, the sources of its income and the distributions to its stockholders. If the Company fails to qualify for taxation as a REIT, it will be subject to federal income tax at regular corporate income tax rates. Even if the Company qualifies for taxation as a REIT, it may be subject to some federal, state, local and foreign taxes on its income and property. In particular, while state income tax regimes often parallel the federal income tax regime for REITs described above, many states do not completely follow federal rules and some may not follow them at all.

The Company's distributions of REIT taxable income to its stockholders will generally be treated as ordinary dividend income. Thus, for example, U.S. tax-exempt stockholders will generally be exempt from taxation on such dividend income because dividend income does not generally constitute unrelated business taxable income. However, because the Company as a REIT will generally not be subject to federal income tax on the portion of its REIT taxable income distributed to stockholders, these dividends to Zayo stockholders will generally be ineligible (or come with restricted eligibility) for a variety of other preferences that apply to the dividends paid by non-REIT corporations. For example, the Company's distribution of REIT taxable income to its stockholders generally: (i) cannot qualify for the preferential tax rates on qualified dividend income for noncorporate taxpayers (though it is eligible for the lower effective tax rates applicable to qualified REIT dividends via the deduction-without-outlay mechanism of Section 199A of the Code available to noncorporate U.S. stockholders for taxable years before 2026); (ii) cannot qualify for the dividends received deduction for corporate taxpayers;



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PROPOSAL 6. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR CURRENT CERTIFICATE TO IMPOSE CERTAIN STOCK OWNERSHIP LIMITATIONS AND TRANSFER RESTRICTIONS IN CONNECTION WITH THE COMPANY'S PREVIOUSLY ANNOUNCED PLAN TO CONSIDER CONVERSION TO A REAL ESTATE INVESTMENT TRUST

and (iii) can qualify only under restricted circumstances for the otherwise generally applicable treaty-based reductions in U.S. withholding and income taxes on dividends to non-U.S. stockholders. The more preferential treatment of non-REIT dividends may cause investors to perceive that an investment in the Company as a REIT is less attractive than an investment in a non-REIT entity that pays dividends, thereby reducing the demand and market price for the Company shares.

In accordance with tax rules applicable to REIT conversions, the Company may be required to issue special distributions to its stockholders of undistributed accumulated earnings and profits (collectively, the "E&P Distribution"). The Company expects to make any required E&P Distribution only after obtaining approval of the Board and the completion of other REIT conversion actions. Generally, the Company expects that any E&P Distribution would be taxable as dividends to its stockholders, whether paid in cash or a combination of cash and Common Stock, and not as a tax-free return of capital or a capital gain. The Company urges Stockholders to consult their tax advisors regarding the specific tax consequences regarding any E&P Distribution.

The Company is in the process of conducting a study of its pre-REIT accumulated earnings and profits as of the close of the Company's most recently completed taxable year using the Company's historical tax returns and other available information. This is a very involved and complex study, which is not yet complete, and at this time the Company cannot accurately estimate the amount of its pre-REIT accumulated earnings and profits. In addition, the E&P Distribution, if any, will vary depending on, among other items, the timing of certain transactions, the Company's taxable income and performance for periods prior to the effectiveness of any REIT conversion, including through the close of the Company's most recently completed taxable year, and possible changes in legislation or tax rules and IRS guidance relating to distributions of earnings and profits. Depending on the magnitude of the E&P Distribution, if any, the Company may decide, based on its cash flows and strategic plans, IRS guidance relating to distributions of earnings and profits, leverage and other factors, to pay any such E&P Distribution in a mix of cash and Common Stock; provided the Company must generally offer to pay at least 20% of any such E&P Distribution in the form of cash.

In order to convert to a REIT, there are significant implementation and operational complexities the Company would need to satisfy, including completing internal reorganizations and realignment of business segments, modifying accounting, financial systems and reporting, receiving stockholder approvals and making any required stockholder payouts, and the conclusion of dialogue with the IRS regarding the Company's pending private letter ruling request. The timing and outcome of many of these conditions are beyond the Company's control.

At the conclusion of the Company's investigation and preparations for converting to a REIT, the Board may decide not to convert to a REIT, or to delay such a conversion, if it determines in its sole discretion that a REIT conversion is not in the best interests of the Company or its stockholders or because it identifies alternatives that it believes could create stockholder value more effectively than conversion to a REIT. Thus, the Company can provide no assurance that it will ultimately pursue a REIT conversion or whether any such conversion will be successful.

If the Company converts to a REIT, it plans to operate in a manner consistent with the REIT qualification rules. However, the Company cannot provide assurance that it will, in fact, qualify for taxation as a REIT or that it will remain so qualified. Qualification for taxation as a REIT involves the application of highly technical and complex provisions of the Code to the Company's operations as well as various factual determinations concerning matters and circumstances not entirely within the Company's control. There are limited judicial or administrative interpretations of applicable REIT provisions. Changes in legislation, federal tax rules and interpretations thereof could also prevent the Company from remaining qualified for taxation as a REIT or realizing the associated benefits for itself and its stockholders.

If the Company fails to qualify for taxation as a REIT in any taxable year after it converts to a REIT, and is not then entitled to relief under the Code, it will be subject to U.S. federal and state income tax on its taxable income at regular corporate income tax rates with respect to each such taxable year for which the statute of limitations remains open. In addition, it could be subject to monetary penalties for the failure. Failing to qualify

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PROPOSAL 6. APPROVAL OF THE ADOPTION OF AN AMENDMENT TO OUR CURRENT CERTIFICATE TO IMPOSE CERTAIN STOCK OWNERSHIP LIMITATIONS AND TRANSFER RESTRICTIONS IN CONNECTION WITH THE COMPANY'S PREVIOUSLY ANNOUNCED PLAN TO CONSIDER CONVERSION TO A REAL ESTATE INVESTMENT TRUST

for taxation as a REIT in any year following a REIT conversion would significantly reduce the Company's net earnings and cash flow because of its additional tax liability and the penalties for the years involved, which could significantly impact its financial condition.

Even if the Company converts to a REIT, it cannot provide assurance that its stockholders will experience benefits attributable to the Company's qualification and taxation as a REIT, including the Company's ability to reduce its corporate level U.S. federal income tax through distributions to its stockholders and to make regular distributions to its stockholders. The realization of the anticipated benefits to stockholders will depend on numerous factors, many of which are outside the control of the Company. In addition, future cash distributions to its stockholders will depend on the Company's cash flows, as well as the impact of alternative, more attractive investments as compared to paying dividends.

Recommendation of the Board

The Board recommends that stockholders vote **FOR** the approval of the REIT Amendment.

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Proposal 7. Approval of the adoption of an Amendment to our Current Bylaws to eliminate the supermajority voting requirement for stockholder amendments to the Current Bylaws

Upon careful consideration, our Board recommends to our stockholders that they approve the adoption of an amendment to Section 10.1 to the Current Bylaws, which will eliminate the supermajority voting requirement for stockholder amendments to the Current Bylaws (the "Supermajority Bylaw Amendment").

The complete text of the Supermajority Bylaw Amendment is included in Exhibit D hereto. The description in this proposal is qualified in its entirety by reference to the complete text provided in Exhibit D hereto.

Eliminate Supermajority Voting Requirement for Amendments to the Current Bylaws.

General. The Current Bylaws require the affirmative vote of the holders of 66²/₃% of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, in order for stockholders to adopt any amendment to the Current Bylaws. The Supermajority Bylaw Amendment would eliminate this supermajority voting requirement and would instead require a majority of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class, in order for stockholders to adopt any amendments to the Current Bylaws.

Purpose of the Amendment. After evaluation, the Board has determined that, while the current supermajority voting requirements imposed by the Current Bylaws are designed to ensure that interests of all stockholders are fully protected, the Board recognizes that there are different perspectives on this matter and compelling arguments for the elimination of supermajority voting requirements to amend a company's bylaws, including growing sentiment that the elimination of such a provision provides stockholders greater ability to participate in the corporate governance of a company. The Board has also determined that an increasing number of companies are beginning to view such a voting requirement as overly burdensome. After carefully weighing all of these considerations, the Board recommended that the stockholders adopt the Supermajority Bylaw Amendment by voting in favor of this proposal.

If our stockholders do not approve this proposal, any amendment to the Current Bylaws by the stockholders will continue to require the approval of 66²/₃% of the voting power of the stock outstanding and entitled to vote thereon, voting together as a single class.

Vote Required; Effect of Voting

Approval of the Supermajority Bylaw Amendment requires the affirmative vote of the holders of at least 66²/₃% of the voting power of all of the shares of Common Stock outstanding and entitled to vote thereon. If the Supermajority Bylaw Amendment is approved, then it will become effective upon such approval.

Recommendation of the Board

The Board recommends that stockholders vote **FOR** the approval of the Supermajority Bylaw Amendment.



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Corporate Governance

2018 Highlights

Discussed and recommended charter and bylaw amendments to stockholders

Received clean audit opinion

Governance Best Practices

Regular evaluations

Thorough annual Board, Committee and individual director evaluations

Commitment to Board refreshment and diversity

Average Board tenure of 3 years

3 of 9 directors are women (33%)

Ongoing attention to refreshment to address succession planning and changing business needs

Robust director nominee selection process

Seek diverse, connected and experienced Board

Methodical analysis of skill set needs in light of evolving business and industry

New directors recruited through both external search firms and current Board member referrals

Strong Board and Committee independence

8 of 9 directors independent

Lead Director elected by the independent directors

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Fully independent Audit, Compensation, Nominating & Governance and Strategy Committees

Regular executive sessions of independent directors

Comprehensive strategy and risk oversight by Board and committees

Strategy Committee responsible for oversight of key strategic objectives

Oversight of enterprise risk management by Nominating & Governance Committee, with specific risk areas delegated to each Committee

Alignment of director and executive officer interests with shareholder interests

Meaningful stock ownership guidelines for directors and executives

Robust anti-hedging, anti-short sale and anti-pledging policies

Annual "say on pay" advisory vote

Active shareholder engagement and outreach

Director participation in process

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CORPORATE GOVERNANCE

Board Composition

Our Board of Directors consists of nine directors. In Fiscal 2017, we increased the size of our Board from seven to nine directors, adding two new independent directors, in order to accommodate formation of a new Strategy Committee and to ensure smooth longer-term Board succession planning.

Election of our directors is governed by our Current Certificate and Current Bylaws.

Classified Board

Our Current Certificate provides for a classified Board consisting of three classes of directors, each serving staggered three-year terms. Our directors are divided among the three classes as follows:

Class I directors are Mr. Caruso, Mr. Gips and Ms. Richardson, whose terms will expire at the Annual Meeting. Mr. Caruso and Mr. Gips are proposed to be re-elected and Mr. Drake is proposed to be elected as a Class I director at the Annual Meeting.

Class II directors are Mr. Connor, Ms. Morris and Ms. White, whose terms will expire at the annual meeting of stockholders to be held in 2019.

Class III directors are Mr. Canfield, Mr. Kaplan and Ms. Rottenberg, whose terms will expire at the annual meeting of stockholders to be held in 2020.

Directors for a particular class are elected for three-year terms at the annual meeting of stockholders in the year in which their term expires. As a result, only one class of directors is elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Each director's term continues until the election and qualification of his successor, or his or her earlier death, resignation or removal.

If the Declassification Amendment is adopted at the Annual Meeting, the classified nature of the Board will be phased out over the next three years and the Board will no longer be classified as of the 2021 annual meeting of stockholders. At such time, each director will be elected for a one year term, expiring at the following year's annual meeting of stockholders.

Director Independence

In August 2018, our Board undertook a review of the independence of our directors and considered whether any director had a material relationship with us that could compromise that person's ability to exercise independent judgment in carrying out his or her responsibilities. Our Board affirmatively determined that each of Mr. Canfield, Mr. Connor, Mr. Drake, Mr. Gips, Mr. Kaplan, Ms. Morris, Ms. Richardson, Ms. Rottenberg and Ms. White is independent under the rules of the NYSE.

There are no family relationships among any of our directors or executive officers.

Committees of the Board

Our Board has an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Strategy Committee. In the future, our Board may establish other committees, as it deems appropriate, to assist it with its responsibilities. The composition, duties and responsibilities of our committees are as set forth below. Each of these committees has a written charter approved by our Board. Copies of these committee charters as well as our corporate governance guidelines are available, without charge, upon request in writing to Zayo Group

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Holdings, Inc., 1821 30th Street, Unit A, Boulder, CO 80301, Attn: Corporate Secretary, or by clicking on "Corporate Governance" in the Investors section of our website, www.zayo.com.

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CORPORATE GOVERNANCE

Audit Committee

Our Audit Committee has the following responsibilities, among other things, as set forth in its written charter:

MEMBERS:

Mr. Connor, Chairman

Mr. Kaplan

Ms. Morris

RESPONSIBILITIES:

reviewing relevant financial reports, disclosures within those reports, accounting policies and practices, and the processes used to produce such reports;

appointing, reviewing, compensating, retaining and overseeing our independent registered public accounting firm;

approving in advance any audit and permissible non-audit services to be provided by our independent registered public accounting firm;

establishing and reviewing policies for our hiring of employees or former employees of the independent registered public accounting firm to ensure compliance with SEC regulations and NYSE requirements;

reviewing and discussing with the independent registered public accounting firm the matters required to be discussed by the applicable Auditing Standards adopted by the PCAOB and amended from time to time;

receiving reports from the independent registered public accounting firm and management regarding the adequacy and effectiveness of our internal controls over financial reporting and disclosure controls and procedures;

overseeing our internal audit function;

monitoring our accounting policies and practices; financial and accounting controls; and compliance with legal, regulatory and policy requirements;

preparing the audit committee report required to be included in our annual proxy statement;

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reviewing and approving any related party transactions in accordance with our related party transactions policy, as in effect from time to time; and

discussing with management our major financial risk exposures and the steps taken to monitor and control such exposures.

Each of Mr. Connor, Mr. Kaplan and Ms. Morris is a non-employee director who meets the applicable requirements for financial literacy. Our Board has determined that Mr. Connor qualifies as an "audit committee financial expert," as such term is defined in Item 407(d)(5) of Regulation S-K. In addition, our Board has determined that each of Mr. Connor, Mr. Kaplan and Ms. Morris meets the definition of an independent director for purposes of serving on an audit committee under Rule 10A-3 and the NYSE rules.

CORPORATE GOVERNANCE

Compensation Committee

Our Compensation Committee has the following responsibilities, among other things, as set forth in its written charter:

MEMBERS:

Ms. Morris, Chairman

Mr. Kaplan

Mr. Gips

RESPONSIBILITIES:

reviewing and evaluating our long-term strategy of employee compensation, endeavoring to design our compensation policies to attract and retain key employees, motivate employees to achieve our business objectives and align the interest of management with the long-term interests of our stockholders;

assessing risks related to our compensation policies and programs;

considering and assessing the results of our most recent vote by stockholders on executive compensation and overseeing our engagement efforts with shareholders on the subject of executive compensation;

reviewing and approving goals and objectives relevant to the compensation of our Chief Executive Officer;

evaluating the performance of our Chief Executive Officer in light of such compensation goals and objectives and determining the compensation of our Chief Executive Officer;

reviewing and approving the compensation of our other executive officers;

reviewing and approving any severance, non-competition and non-solicitation arrangements to be made with any of our executive officers;

reviewing, and either approving or endorsing for the Board's approval, the design of and changes to our compensation and benefit plans;

preparing the Compensation Committee report required to be included in our annual proxy statement;

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reviewing and making recommendations to the Board with respect to the compensation of our non-employee directors;

at least annually, assessing whether the work of any compensation consultants involved in determining or recommending executive or director compensation has raised any conflict of interest that is required to be disclosed in our annual report or proxy statement; and

reviewing and making an annual report to the Board on executive officer succession planning.

Our Board has determined that each of Mr. Gips, Mr. Kaplan and Ms. Morris is a non-employee director as defined in Rule 16b-3 of the Exchange Act, an outside director as defined in Section 162(m) of the Internal Revenue Code and meets the definition of an independent director for purposes of serving on a compensation committee under the NYSE rules.

CORPORATE GOVERNANCE

Nominating and Governance Committee

Our Nominating and Governance Committee has the following responsibilities, among other things, as set forth in its written charter:

MEMBERS:

Mr. Canfield, Chairman

Ms. Richardson (term ending November 6, 2018)

Ms. Rottenberg

RESPONSIBILITIES:

evaluating the appropriate size, structure, composition and functioning of the Board and evaluating proposed changes to the criteria for Board membership;

evaluating the independence of existing and prospective directors;

identifying and evaluating individuals qualified to become Board members or to be re-nominated as Board members;

recommending qualified candidates for election to the Board or re-election at each annual stockholders' meeting;

recommending candidates to be elected by the Board as necessary to fill vacancies and newly created directorships;

recommending committee members and chairpersons to the Board for appointment;

evaluating and assessing the performance of the Board, the members of the Board and the Board's committees;

periodically reviewing the Board's leadership structure and recommending changes to the Board as appropriate, including recommendations to the independent directors regarding the appointment of a lead independent director;

periodically reviewing and assessing the channels through which the Board receives information;

developing appropriate Board orientation and training programs for new Board members as well as continuing education requirements for existing Board members;

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developing and annually assessing corporate governance guidelines and a code of ethics for employees and Board members;

in consultation with the CEO, annually reviewing and recommending to the Board for approval changes to a capital management policy;

overseeing management's enterprise risk management program;

reviewing and recommending to the Board for approval changes to, or additions of, officers of the Company; and

considering questions of conflicts of interest of Board members and executive officers.

Our Board has determined that each of Mr. Canfield, Ms. Richardson and Ms. Rottenberg is a non-employee director and meets the definition of an independent director under the NYSE rules.

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CORPORATE GOVERNANCE

Strategy Committee

Our Strategy Committee has the following responsibilities, among other things, as set forth in its written charter:

MEMBERS:

Mr. Gips, Chairman

Ms. Rottenberg

Ms. White

RESPONSIBILITIES:

reviewing with management our strategy and strategic plans;

reviewing with management key issues and external developments impacting our strategy;

facilitating an annual Board review of our strategy and strategic options; and

reviewing and providing guidance to management and the Board on our strategies for transactions, assisting management and the Board with the identification of transaction opportunities, assisting management and the Board with review of proposals made by management for transactions, and considering and making recommendation to the Board for proposed transactions.

Our Board has determined that each of Mr. Gips, Ms. Rottenberg and Ms. White is a non-employee director and meets the definition of an independent director under the NYSE rules.

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CORPORATE GOVERNANCE

Code of Ethics

We have adopted a written code of ethics applicable to our directors, officers and employees, including our principal executive officer and senior financial officers, in accordance with Section 406 of the Sarbanes-Oxley Act of 2002 and the rules of the SEC. In the event that we make any changes to, or provide any waivers from, the provisions of our code of conduct applicable to our principal executive officer and senior financial officers, we intend to disclose such events on our website or in a report on Form 8-K within four business days of such event. A copy of our code of ethics is available by clicking on "Corporate Governance" in the Investors section of our website, www.zayo.com.

Board Leadership Structure

With respect to the roles of Chairman of the Board and Chief Executive Officer, our corporate governance guidelines provide that the roles may be separated or combined, and our Board exercises its discretion in combining or separating these positions as it deems appropriate in light of prevailing circumstances. Our Board believes that the combination or separation of these positions should continue to be considered as part of our succession planning process. Mr. Caruso currently serves as both Chief Executive Officer and Chairman of the Board, which enables him to act as the key link between our Board and the other members of management. Our Board believes that his service in both roles is currently in the best interest of our Company and our stockholders, as it provides strong unified leadership for our Company.

Our corporate governance guidelines provide that if the Chairman of the Board is a member of management, or if no Chairman of the Board has been elected, the Board may designate any independent director as the Lead Director. The Lead Director is, among other things, responsible for coordinating and presiding over any required executive sessions and will be consulted in the determination of the frequency, place, time and length of regular meetings of the Board. The Board has appointed Mr. Canfield as Lead Director. The non-employee directors meet in regularly scheduled executive sessions without management to promote open and honest discussion.

Our corporate governance guidelines further provide the flexibility for our Board to modify our leadership structure in the future as appropriate. We believe that our Company, like many United States companies, is well served by this flexible leadership structure.

Risk Oversight

Our Board is responsible for overseeing our risk management process. Our Board focuses on our general risk management strategy, the most significant risks facing us, and oversees the implementation of risk mitigation strategies by management. Our Board is also apprised of particular risk management matters in connection with its general oversight and approval of corporate matters and significant transactions.

While the Board has primary responsibility for oversight of our risk management, the Board's standing committees support the Board by regularly addressing various risks in their respective areas of oversight. The Board has determined that the Nominating and Governance committee should oversee and evaluate management's enterprise risk management activities for the Board, designating oversight for specific areas of enterprise risk management to other committees of the Board. The Nominating and Governance Committee has allocated various categories of risk among itself and the other standing committees of the Board; specifically, the Audit Committee assists the Board in fulfilling its oversight responsibilities with respect to risk management in the areas of financial reporting, internal controls and compliance with public reporting requirements; the Compensation Committee assists the Board in fulfilling its risk management oversight responsibilities with respect to risks arising from compensation policies and programs and employee culture; the Nominating and Governance Committee assists the Board in fulfilling its risk management oversight responsibilities with respect to risks related to corporate governance matters; and the Strategy Committee assists the Board in fulfilling its risk management oversight responsibilities with respect to risks related to strategic transactions and initiatives.

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CORPORATE GOVERNANCE

The Board, led by the Nominating and Governance Committee, conducts an annual self-evaluation of the Board and its members to determine whether it and its committees are functioning effectively. This process includes an annual self-evaluation by each Board committee, and an evaluation of each of the individual directors.

Selection of Board Nominees

The Nominating and Governance Committee will consider candidates for Board membership suggested by its members and other Board members, as well as management and stockholders, and uses the same criteria to evaluate all candidates. The Committee has established a procedure for submission of suggestions by stockholders and will consider candidates recommended in writing, including the candidate's full name, biographical information, qualifications for Board membership and personal references. All submissions should include verification of the stockholder status of the person submitting the recommendation and be sent to the Corporate Secretary at Zayo Group Holdings, Inc., 1821 30th Street, Unit A, Boulder, CO 80301.

Candidates for nomination to our Board are selected by the Board based on the recommendation of the Nominating and Governance Committee in accordance with the Committee's charter, our Current Certificate and Current Bylaws, our corporate governance guidelines, the Stockholders Agreement and the director qualifications considerations set forth below. Evaluations of candidates generally involve a review of background materials, internal discussions and interviews with selected candidates as appropriate and, in addition, the Nominating and Governance Committee may engage consultants or third-party search firms to assist in identifying and evaluating potential nominees. Mr. Drake was recommended as a director nominee by our CEO.

Director Qualifications

The Nominating and Governance Committee of the Board is responsible for evaluating and then reviewing with the Board from time to time the appropriate qualifications, expertise and characteristics required of Board members. This assessment includes an evaluation of experience and skills, including the individual's understanding of our industry, corporate finance, accounting, internal controls, technology, sales and marketing and strategic business planning. Other considerations include:

the individual's strengths and contributions relative to overall corporate governance, service on Board committees, Company strategy, key customer and industry relationships, shaping of Company culture, evaluation of the execution and performance of the Company, and mentoring of Company executives;

the independence, judgment, strength of character, reputation in the business community, ethics and integrity of the individual;

the business or other relevant experience, skills and knowledge that the individual may have that will enable him or her to provide effective oversight of the Company's business;

the fit of the individual's skill set and personality with those of the other Board members so as to build a Board that works together effectively and constructively;

the individual's ability to devote sufficient time to carry out his or her responsibilities as a director in light of his or her occupation and the number of boards of directors of on which he or she serves; and

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diversity in respect of gender, ethnicity, geography, industry, function, personality type and age that the individual contributes to the Board in light of the current composition of the Board.

The brief biographical description of each director set forth in Proposal 1 above includes the primary individual experience, qualifications, attributes and skills of each of our directors that led to the conclusion that each director should serve as a member of our Board at this time.

CORPORATE GOVERNANCE

Stockholder or Other Interested Party Communications

Stockholders or other parties interested in communicating directly with the Board, or specified individual directors or the non-management or independent directors as a group, may do so by writing the Corporate Secretary at Zayo Group Holdings, Inc., 1821 30th Street, Unit A, Boulder, CO 80301. The Secretary will review all such correspondence and will regularly forward to the Board or the specified individual director or group of directors copies of all such correspondence that, in the opinion of the Secretary, relates to the functions of the Board or its committees or that the Secretary otherwise determines requires their attention. Directors may at any time review a log of all correspondence received by the Company that is addressed to members of the Board and request copies of such correspondence. Concerns relating to accounting, internal controls or auditing matters will immediately be brought to the attention of the Chairman of the Audit Committee and handled in accordance with procedures established by the Audit Committee with respect to such matters.

Director Attendance

During Fiscal 2018, the Board held 8 meetings, the Audit Committee held 4 meetings, the Compensation Committee held 9 meetings, the Nominating and Governance Committee held 4 meetings, and the Strategy Committee held 4 meetings. Each director attended at least 75% of the meetings of the Board and the committees of the Board on which such director served (during the period that such director served on our Board and any committee).

We expect all members of the Board to attend our annual meetings of stockholders absent unusual circumstances.

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Executive Officers

The following sets forth the name, age, position and biographical information for each of our executive officers. For information regarding Mr. Caruso, please refer to Proposal 1 above titled "Election of Directors."

Matt Steinfort

Mr. Steinfort has served as our Chief Financial Officer since September 15, 2017. Mr. Steinfort joined Zayo as Executive Vice President, Corporate Strategy, Development and Administration in November, 2016. He joined Zayo from Envysion, Inc., a privately-held video intelligence SaaS company, where he was co-founder and Chief Executive Officer from February 2006 through November 2016 and where he remains on the board of directors. Prior to Envysion, he was Senior Vice President of Corporate Strategy at ICG Communications, and held a variety of vice president roles at Level 3 Communications, including Consumer Voice, Corporate Strategy and Development, and Softswitch Strategy and Finance. Earlier in his career, Mr. Steinfort held positions at management consultancy Bain & Company and IT consultancy Cambridge Technology Partners. Mr. Steinfort received a bachelor's of science in civil engineering and operations research from Princeton University and an MBA from the MIT-Sloan School of Management.

Officer Since:
September 2017

Chief Financial Officer

Age:(1) 48

Jack Waters

Mr. Waters joined the Company in August 2016 as Chief Technology Officer and President of Fiber Solutions. In this role, he oversees global technology and network strategy and execution, and leads Zayo's largest business segment. Prior to joining the Company, he was Chief Technology Officer at Level 3 from January 2008 to August 2016. He joined Level 3 in 1997 and held numerous leadership roles within that company. Before joining Level 3, Mr. Waters served as an executive staff member for MCI Communications, Inc. with responsibility for network architecture, design and implementation. He was an original member of the team responsible for InternetMCI, the company's initial Internet service. Prior to MCI, Mr. Waters served as director of engineering and operations for SURAnet, the Southeastern University Research and Academic Network. Mr. Waters serves on the FCC's Technical Advisory Council and the board of directors for the Colorado Technology Association. He holds a B.S. in Electrical Engineering from West Virginia University and an M.S. in Electrical Engineering from Johns Hopkins University.

Officer Since: August
2016

Chief Technology
Officer &
President of Fiber
Solutions

Age:(1) 53

Sandi Mays

Ms. Mays is a co-founder, and is Chief Customer Experience and Information Officer at the Company. Ms. Mays' passion is providing an effortless customer experience for both internal and external customers. Prior to joining Zayo, Ms. Mays served in various management positions at ICG Communications, Level 3 Communications, MFS Telecom, WorldCom, Focus Enterprises and Northern Trust. Ms. Mays is a champion for diversity in the tech community and serves on the Board of the Latino Leadership Institute, the Salesforce CIO Advisory Board and the Denver Metro Chamber Economic Development Executive Committee. She is also a patron/supporter of the Denver Art Museum, the Colorado Ballet, Denver Performing Arts Center and Greenhouse scholars and an active member of many minority and diverse charities. In 2016, Ms. Mays was named Women in Comms Leading Lights: Most Inspiring Woman in Comms. Ms. Mays earned a B.S. (magna cum laude) in Finance from DePaul University. In 2018, Ms. Mays won the Latina's First Trailblazer Award and was named by the Colorado Women's Chamber of Commerce as of the 25 Most Powerful Women in Colorado.

Officer Since: August
2018

Chief Customer
Experience and
Information Officer

Age:(1) 50

(1)

Age as of September 7, 2018.

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Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the material elements of compensation for our named executive officers for Fiscal 2018. When we refer to "named executive", "named executive officer" or "NEO" in this section, we mean the five executives listed below. Andrew Crouch, our former President & Chief Operating Officer, ceased employment with the Company on May 1, 2018 and Ken desGarenes, our former Chief Financial Officer, ceased employment with the Company on February 9, 2018. As Mr. Crouch and Mr. desGarenes were named executive officers during Fiscal 2018, each of their compensation for Fiscal 2018 is included in this section. Sandi Mays was appointed a named Executive Officer in August 2018. Ms. Mays's compensation will be included in our discussion of compensation for Fiscal 2019 in next year's proxy statement.

Fiscal 2018 named executive officers:

Dan Caruso	Chief Executive Officer
Matt Steinfort	Chief Financial Officer
Jack Waters	Chief Technology Officer & President of Fiber Solutions
Andrew Crouch	former President & Chief Operating Officer
Ken desGarenes	former Chief Financial Officer

Executive Summary

Compensation Strategy

Our compensation philosophy and program design are essential elements of our culture and have led to our success in delivering returns for our shareholders. Our unique program provides us with a competitive advantage in successfully attracting talent in an industry that includes publicly traded communication infrastructure companies as well as organizations backed by private investment capital. We believe our program embodies and supports the entrepreneurial culture that has been critical to our success and is fundamental to our ability to create shareholder value.

The following distinctive elements of our executive compensation program support our company strategy:

Our fundamental premise of delivering industry-leading returns for shareholders and appropriately sharing incremental value created with our executives and employees

Our extensive reliance on equity-based pay to align executive pay with shareholder value creation

Our strict use of equity value creation and market return performance criteria as determinants of both cash bonuses and earned stock grants

Organizational Performance

Zayo is one of the largest global, independent, providers of communications infrastructure. Our products and solutions enable our customers' mission-critical, high-bandwidth applications, such as cloud-based computing and data storage, video and content distribution, mobile infrastructure, social media networking, machine-to-machine connectivity, and other bandwidth-intensive applications.



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COMPENSATION DISCUSSION AND ANALYSIS

Our key products and offerings include leased dark fiber, fiber to cellular towers and small cell sites, dedicated wavelength, private connectivity into public and hybrid cloud environments, colocation, Ethernet and IP wide area networks ("WANs"), Internet access, cloud-based computing and storage products and other high-bandwidth offerings.

A major area of organizational focus for Fiscal 2018 was aligning the sales organization by industry segments, or "vertical clusters". We aligned our growing sales organization by our key industry segments (Carrier, Media; Content & Commerce; Finance and Professional Services; Cloud, Software and Infrastructure; and Public Health and Utilities). This change enabled us to leverage our market knowledge and expertise to improve our effectiveness in expanding our penetration within each Vertical Cluster. We roughly doubled the number of our quota bearing employees, which included the addition of business development resources in each of our fiber regions. The initial impact of these changes has resulted in steadily increasing bookings over the course of Fiscal 2018, although we believe that the full impact of these investments has not yet been realized. These changes are designed to enable the acceleration of our revenue and EBITDA growth.

Solid progress on our strategy and execution of our business yielded steady, but modest, organic growth in our Communications Infrastructure business in Fiscal 2018. We continue to strive to deliver at least 6-8% organic growth within our Communications Infrastructure segments, which we believe is achievable given the robust macroeconomic tailwinds, our unique and valuable assets, and our strong competitive position as the only independent national and international operator of deep, dense fiber networks. While the demand environment for our solutions was strong in Fiscal 2018, there were headwinds that impacted our business. Consolidation in our industry continued to both impact the competitive landscape and create churn pressure, as combined companies groom their networks. Churn reduction remains a key priority for the Company.

While organic growth is our top priority, we completed the acquisition of Spread Networks as well as several other tuck-in acquisitions throughout the year, adding to our expansive network. We also made significant progress on several strategic initiatives throughout the year, including the separation of our non-core Allstream segment to further focus on our Communications Infrastructure segments and the exploration of a potential REIT conversion.

Our key performance achievements in Fiscal 2018 included:

Achieved total revenue and adjusted EBITDA¹ growth of 18% and 16%, respectively, driven by organic growth as well as fiscal 2017 - 2018 acquisitions.

Net Bookings of \$33M in Fiscal 2018 (excluding Allstream), representing 23% growth over Fiscal 2017.

Completed the Neutral Path (\$33.3M), Spread Networks (\$130.5M) and Optic Zoo (\$24.8M) acquisitions, and announced the sale of Scott-Rice Telephone.

1

For further information regarding non-GAAP adjustments, including a reconciliation to GAAP, please see Item 7 "Management's Discussion and Analysis of Financial Conditions and Results of Operations" in our 2018 Annual Report as filed on Form 10-K with the Securities and Exchange Commission on August 24, 2018.

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COMPENSATION DISCUSSION AND ANALYSIS

Compensation Actions and Outcomes

The table below summarizes our significant executive compensation actions and outcomes for Fiscal 2018:

Base Salaries see page 43 for details

Fixed cash compensation is only a modest part of our executive pay program

No base salaries increased for NEOs (other than Mr. Steinfort)

Mr. Steinfort's annual salary was increased from \$190k to \$240k as a result of his promotion to CFO

Mr. desGarenes annual salary was reduced from \$240k to \$17.5k as he shifted to an advisory role

Incentive Cash Compensation ("ICC") see page 44 for details

Actual quarterly payouts primarily based on Equity IRR performance

ICC Payouts for participating NEOs for the four quarters of Fiscal 2018 were \$0 - \$37,500, representing 0% - 50% of target

CEO does not participate

Mr. Crouch received 100% of his target ICC payout (\$75,000) for Fiscal Q1 per his sign-on arrangement

Mr. Steinfort's ICC target increased from \$125k to \$300k as a result of his promotion to CFO

Performance Restricted Stock Units see page 46 for details

Other NEOs' ICC targets unchanged from Fiscal 2017
Granted Performance RSUs are the primary element of our executive pay program:

Part A RSUs

Performance RSUs in the form of Part A RSUs awarded based on our financial and operational performance, primarily Equity IRR.

Part A RSU grants to CEO in Fiscal Q1 was \$0. In Fiscal Q2 CEO transitioned to 100% Part B grants tied to company stock price performance

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Performance RSUs in the form of Part B RSUs with vesting based solely on our stock price performance

Part A RSU grants to other NEOs (other than Mr. Crouch) ranged from \$324,375 - \$1,171,875, 75% - 200% of target

Part B RSUs

Part B RSU grants to CEO had aggregate grant date fair value of \$8.6 million

Part B RSU grants to other NEOs ranged from \$774,450 - \$3.3 million

Aggregate value of Part B RSUs granted to CEO in Fiscal 2017 vested at 47% of target in Fiscal 2018

Aggregate value of Part B RSUs granted to other NEOs in Fiscal 2017 vested at range of 0% - 52% of target in Fiscal 2018

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Program Changes for Fiscal 2019

For Fiscal 2017, 72% of our shareholders voted in favor of our pay program in our annual "Say-On-Pay" vote. In preparation for our fiscal year ending in 2018 ("Fiscal 2018"), we conducted a detailed review of our executive pay program and engaged directly with many of our largest shareholders regarding our pay performance and pay philosophy. In consideration of this review and given shareholder feedback, we made certain changes to our compensation program for Fiscal 2018 and for Fiscal 2019 that illustrate our commitment to our philosophy of aligning our executives' pay with shareholder returns and providing reward for market-leading performance.

99% of Zayo's CEO compensation is based on Zayo's stock price appreciation via our Part B RSU program. This program remains a critical and appropriate compensation tool that ensures executive incentives are tightly aligned with those of investors. While remaining committed to this program, we modified the program to increase the protections for the Company.

To limit the risk of outsized payouts in the event the stock price rises sharply over a short period and then quickly returns to prior levels, we made the following changes to our compensation program for Fiscal 2019:

Modified the design of the Part B RSUs for the CEO grants after August 2018 to enhance the performance orientation of the program.

Going forward any earned Part B RSUs in excess of 300% of target will be subject to two additional measurement periods.

In order for any award in excess of 300% of target to be fully earned, our stock price performance must be maintained through the end of the first and second quarters following the end of the original performance period.

If ending stock price is not maintained through the first and second quarter following the end of the original performance period, all or a portion of the awards above 300% of target are forfeited.

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Compensation Philosophy

Our compensation philosophy and program are integral to our culture, strategy and record of shareholder value creation. Since our formation in 2007, \$1B of equity has been invested into Zayo and, as of June 30, 2018 our equity (inclusive of prior distributions) was worth approximately \$9B, representing a greater than 8X multiple of invested equity and a compounded equity internal rate of return ("IRR") of nearly 40%. We believe a key factor in our growth and success has been our unique compensation program, both for executives and for our broader employee base.

Zayo seeks to be the employer of choice for highly skilled, entrepreneurial employees. We award performance-based equity compensation as an explicit, quantifiable and heavily-weighted part of the total compensation of nearly all of our employees. Total compensation includes salary, incentive cash compensation and equity compensation. We establish cash compensation at below market levels and provide performance-based equity compensation opportunities typically above market median levels. We believe our pay for performance philosophy attracts motivated, entrepreneurial employees by rewarding them for creating value for our shareholders.

Compensation for our executives is heavily weighted towards performance-based pay. As illustrated below, 99% of our CEO's target total compensation is comprised of performance-based RSU awards. For our other named executive officers, approximately 94% of their target pay is comprised of performance-based compensation, 5% in the form of ICC and 89% in the form of performance-based RSU awards. Our target compensation opportunities for our executives are typically above market median levels, but target pay is only earned if we deliver outstanding performance, measured as Equity IRR of 20% (see "Elements of Executive Compensation" below for description) and total shareholder return/stock price appreciation of 15%. As illustrated below, significantly more of our executives' compensation is performance-based, as compared to our peer group.

Note: Zayo pay mix based on employee target compensation as of 6/30/2018. Zayo Comparator Peer pay mix based on public company proxies filed as of 6/30/2018. See comparator peer group on page 42.

Not only is the majority of our NEO compensation performance-based, but also both our ICC and RSU programs require the achievement of market-leading performance in order to achieve target payouts. Under our ICC and Part A RSU program, an Equity IRR of 20% is required to earn target payouts. If our Equity IRR is 6%, the payouts under the ICC and Part A RSUs are only 25% of target. Similarly, in order for the target award to be earned under our Part B RSUs, year-over-year stock price appreciation of 15% must be achieved. In order to achieve any

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payout, year-over-year stock price appreciation of a minimum 10% is required (25% prior to fiscal fourth quarter 2017). An explanation of how Equity IRR is calculated is set forth on page 45.

Note: Zayo payout curves based on ICC, Part A and Part B payout structure as of 6/30/2018

The pay-for-performance orientation of our program is demonstrated by our CEO's Fiscal 2018 realizable compensation relative to his target total compensation opportunity. During Fiscal 2018, our stock price appreciation was approximately 18.1%, which compares favorably to long-term market returns. As shown below, Mr. Caruso's Fiscal 2018 realizable compensation was approximately \$1.5 million, which represented approximately 15% of his target total compensation for Fiscal 2018.

Note: The 2018 realizable compensation reflects the actual and projected value of the Part B RSUs granted during 2018 at the stock price as of 6/30/18. The 2018 target pay reflects Mr. Caruso's aggregate value of salary and target RSUs for Fiscal 2018. Mr. Caruso's Part A payout was 0% for the one quarter in which he had a Part A target, the

fiscal first quarter.

Executive Compensation Governance and Processes

Role of the Executive Officers and Management

Management is responsible for developing the Company's compensation philosophy and programs in consultation with and under the oversight of the Compensation Committee. Our CEO makes recommendations to the Compensation Committee regarding the total compensation for each executive (excluding himself), including base salary, non-equity incentive compensation and equity participation as well as the financial targets and business unit and corporate objectives, which determine non-equity incentive compensation payouts. The Compensation Committee considers the CEO's recommendations in consultation with the full Board and makes final decisions for the total amount of compensation and each element of compensation for our executives other

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than the CEO, and the Compensation Committee makes recommendations to the full Board for its approval regarding the CEO's compensation.

The CEO and the Compensation Committee use their general knowledge of the compensation practices of other companies with whom we compete for executive talent, including telecommunications and web-scale companies, and the information provided by the Compensation Committee's consultant to form their recommendations and decisions. The day-to-day design and administration of savings, health, welfare and paid time-off plans and policies applicable to our employees in general, including our executives, are handled by company management.

Role of the Compensation Committee

The Compensation Committee assists the Board in fulfilling its responsibility relating to oversight and determination of compensation of the Company's executive officers and directors. The Compensation Committee reviews and approves corporate goals and objectives relevant to the compensation of the CEO, evaluates the CEO's performance in light of those goals and objectives, approves the grant of equity awards to the CEO and makes recommendations to the Board regarding the CEO's compensation level based on this evaluation. The Compensation Committee also oversees the evaluation of the other executive officers of the Company, approves the grant of equity awards to such officers and sets their compensation, in each case based upon the recommendation of the CEO. The Compensation Committee oversees the Company's use of severance, non-competition and non-solicitation arrangements with employees, including the approval of any such arrangements to be made with any executive officer of the Company. The Compensation Committee also reviews, and either approves or endorses for the Board's approval, the design of and changes to the Company's compensation or benefit plans, including incentive compensation (bonus) and equity-based plans.

Role of the Compensation Consultant

The Compensation Committee retains ultimate responsibility for executive compensation-related decisions. In 2017, the Compensation Committee engaged Willis Towers Watson to assist with the review of our executive pay programs. Willis Towers Watson analyzed our executive compensation structure and plan designs and assessed whether the executive compensation program is competitive and consistent with our overall executive compensation philosophy.

In performing their work, Willis Towers Watson developed comparative market data based on the following comparator group of companies, which was approved by the Compensation Committee:

Akamai Technologies, Inc.	Digital Realty Trust, Inc.	SBA Communications Corporation
Box, Inc.	EchoStar Corporation	Symantec Corporation
Cable ONE, Inc.	Equinix, Inc.	United States Cellular Corporation
Cogent Communications Holdings, Inc.	F5 Networks, Inc.	ViaSat, Inc.
CoreSite Realty Corporation	FireEye, Inc.	
Crown Castle International Corp.	GTT Communications	
CyrusOne Inc.	QTS Realty Trust, Inc.	

- (1) Level 3 Communications, Inc. was removed in FY2018 as they were acquired by Centurylink

The Board and Compensation Committee have established the following procedures with regard to Compensation Committee consultants:

the Compensation Committee has the sole authority to retain, obtain the advice of and terminate any compensation consultant, independent legal counsel or other advisor;

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the Compensation Committee may select such consultant only after considering the consultant's independence from the Company and management; and

the Compensation Committee evaluates the objectivity of the services provided by the consultant each year and determines whether to continue to retain the consultant.

The Compensation Committee assessed the independence of Willis Towers Watson as required by the Compensation Committee's charter, referenced above, and concluded that Willis Towers Watson is independent from the Company and management and that Willis Towers Watson's work has not raised any conflicts of interest.

Elements of Executive Compensation

The primary elements of the total compensation program for our named executive officers are outlined and summarized below.

Base Salary

We provide our executives with a base salary to appropriately compensate them for their role and the skills and abilities they bring to our organization. Our base salaries are generally below those of our peer companies. Our CEO's base salary is based on the minimum dollar amount

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required to participate in our 401(k) plan. Base salaries may be reviewed and adjusted from time to time based on individual merit, promotions or other changes in job responsibilities. During Fiscal 2018, the base salaries for our named executive officers other than Mr. Steinfort and Mr. desGarenes were unchanged from Fiscal 2017, in keeping with our philosophy of de-emphasizing fixed cash compensation. Mr. Steinfort's annual salary, however, was increased from \$190k to

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\$240k as a result of his promotion to CFO in September 2017. Mr. desGarennnes' compensation was reduced from \$240k to \$17.5k as part of his transition to an advisory role until his termination in February 2018.

Dan Caruso	Chief Executive Officer	\$ 17,500
Matt Steinfort	Chief Financial Officer	\$ 240,000
Jack Waters	Chief Technical Officer	\$ 325,000
Andrew Crouch	(former) President & Chief Operating Officer	\$ 240,000
Ken desGarennnes ⁽¹⁾	(former) Chief Financial Officer	\$ 17,500

(1) Mr. desGarennnes' compensation was reduced from \$240k to \$17.5k as part of his transition to an advisory role until his termination in February 2018

Incentive Cash Compensation ("ICC")

We also have a quarterly cash incentive plan in which most of our full-time, non-sales employees, including our executives (with exception of the CEO), participate. This plan provides our executives with potential cash payments that act as incentives for current performance, while also encouraging behavior that is consistent with our long-term goals.

We make ICC payments to participating executives if quarterly financial performance targets (based on Equity IRR improvement) and certain qualitative business unit and corporate objectives are met. This includes a qualitative self-assessment of each business unit's historical and projected Equity IRR contribution to the company. The financial targets and business unit and corporate objectives are recommended by the CEO (who does not participate in the plan) and are approved by the Compensation Committee. Our CEO recommends to the Compensation Committee the quarterly payouts under this plan, from 25% to 200% of target payout, based on the achievement of the financial performance targets and his assessment of achievement of business unit and corporate objectives. The actual financial results may be adjusted up or down to normalize for certain non-recurring or unusual events (e.g., timing impact of a major acquisition) with approval of the Compensation Committee.

In Fiscal 2018, quarterly ICC incentives were earned based on our Equity IRR performance. Equity IRR is a critical measure of our performance, providing an assessment of our effectiveness in generating returns on the equity capital we invest in our business.

At the beginning of the performance period, we calculate our Equity Value by applying a constant multiple to our EBITDA during the period to establish our Total Enterprise Value. Net debt is subtracted from our Total Enterprise Value to establish our Equity Value. At the end of the period, we calculate our Equity Value using this same multiple and subtract any equity invested in the business during the period. We then compare the period ending Equity Value to the Equity Value at the beginning of the period to determine our Equity IRR.

Illustrative Calculation of Equity IRR

Equity IRR for each quarter is calculated over a four-quarter basis. A historical view looks at the prior four quarters, and a forward-looking trajectory view focuses on leading indicators that may impact subsequent four-quarter Equity IRR. We measure our performance over multiple quarters to reduce the effect of short-term fluctuations in the financial components that are used to calculate our Equity IRR. We believe the use of the Equity IRR calculation provides a good measure for short-term and long-term compensation, as the consistent growth will lead to continued long-term value creation for our employees and shareholders.

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In addition to measuring the overall company level Equity IRR, we measure our individual business segments' overall Equity IRR performance by determining the equity value created at the segment level through the use of an EBITDA multiple consistent with the market multiple for each of our segments.

The specific Equity IRR performance ranges and associated ICC payout ranges for each quarter in Fiscal 2018 were as follows:

Less than 6%	25%
Between 6% - 10%	25% - 50%
Between 10% - 20%	50% - 100%
Between 20% - 30%	100% - 150%
Between 30% - 40%	150% - 200%

Actual ICC payouts for participating NEOs were approved by the Committee and the Board following their evaluation of our Equity IRR performance and our performance relative to qualitative business unit and qualitative corporate objectives.

The following table shows the payouts as a percentage of target that were earned by our named executive officers for each quarter of Fiscal 2018. The company-wide ICC payouts, driven largely by our Equity IRR calculations, were 45%, 65%, 60% and 40% for the first quarter, second quarter, third quarter and fourth quarter, respectively, of Fiscal 2018. All NEOs (with exception of Andrew Crouch) had payouts lower than the company payouts for the full fiscal year 2018. Mr. Crouch received 100% of his target for fiscal Q1 per his sign-on arrangement. Our executives received lower than overall company payouts when our Equity IRR was below our targets, as we hold executives disproportionately accountable for operational performance below expectations.

Dan Caruso	na	na	na	na	na
Matt Steinfort	30%	50%	45%	0%	31%
Jack Waters	30%	50%	45%	0%	31%
Andrew Crouch	100%	50%	na	na	75%
Ken desGarennes	25%	na	na	na	25%
Company Payout	45%	65%	60%	40%	53%

The table below shows the aggregate four quarter ICC targets and actual payouts based on the payout percentages noted above for Fiscal 2018 for our named executive officers.

Dan Caruso	\$	\$
Matt Steinfort	\$ 300,000	\$ 93,750

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Jack Waters	\$ 200,000	\$ 62,500
Andrew Crouch	\$ 150,000	\$ 112,500
Ken desGarennas	\$ 75,000	\$ 18,750

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Performance Restricted Stock Units

A significant percentage of total compensation for our executives consists of long-term incentive compensation in the form of RSUs. We believe RSUs both reward our named executive officers for delivering meaningful returns to our shareholders and promote stock ownership, creating a clear link between the interest of executives and those of stockholders. In support of our compensation objectives, the target value of equity compensation is generally above market levels, so that, when combined with our below market cash compensation, we create total compensation opportunities above the market median of our industry when we deliver outstanding performance.

The opportunity for our named executive officers to earn RSUs is provided through our Part A and Part B RSU programs. Both the Part A and Part B RSUs are earned based on the achievement of performance goals, with our Part A RSUs being earned based on financial and operational performance and the Part B RSUs being earned based on our stock price appreciation. In Fiscal 2018, 87% of Mr. Caruso's RSU target compensation was delivered in the form of Part B RSUs and 13% through Part A RSUs. For our other named executive officers, with the exception of Mr. desGarennes, 29-45% of their RSU target compensation was delivered in the form of Part B RSUs, with the balance taking the form of Part A RSUs. Mr. desGarennes' RSU target compensation was 100% delivered in the form of Part B RSUs.

Part A RSUs. Under our Part A RSU program, our executives are eligible to earn quarterly awards of RSUs. Each participant in the Part A program has a target annual award value. 25% of the target annual award value is allocated to each fiscal quarter. Participants are eligible to earn Part A RSUs each quarter up to 300% of their quarterly target award. The actual value of Part A RSUs earned for any fiscal quarter is determined in the sole discretion of the Compensation Committee, taking into account the Company's Equity IRR for the quarter and other Company, group and individual performance factors. The table below provides the Fiscal 2018 quarterly and full year target award values for each of our named executive officers under our Part A RSUs program.

Dan Caruso ⁽¹⁾	\$ 1,247	\$ 0	\$ 0	\$ 0	\$ 1,247
Matt Steinfert	\$ 433	\$ 433	\$ 433	\$ 433	\$ 1,730
Jack Waters	\$ 391	\$ 391	\$ 391	\$ 586	\$ 1,758
Andrew Crouch	\$ 1,308	\$ 1,308	\$ 1,308	na	\$ 3,923
Ken desGarennes	na	na	na	na	na

(1)

In fiscal 2nd quarter, Mr. Caruso's Part A target was eliminated and shifted to 100% Part B

The number of Part A RSUs granted is calculated at the end of each quarter based on the percentage of target achieved multiplied by the target grant value divided by the average closing price of the Company's Common Stock over the last ten trading days of the quarter. Part A RSUs vest fifteen months after the beginning of the measurement period, contingent upon continued employment at the time of vesting, and at that time convert into an equal number of shares of Company Common Stock. We believe our practice of making quarterly grants that vest five quarters after the beginning of the measurement period, versus other plans that make larger annual grants that vest over a longer period of time (e.g., three years), is comparable in terms of the time it takes to vest a full year's worth of granted equity (as illustrated below) and more effectively aligns determination of payout with actual company performance.



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COMPENSATION DISCUSSION AND ANALYSIS

Part A Granting and Vesting Illustration

The table below details the Equity IRR performance ranges used to determine quarterly grants during Fiscal 2018.

Less than 6%	25%	25%	25%	25%
Between 6% - 10%	25% - 50%	25% - 50%	25% - 50%	25% - 50%
Between 10% - 20%	50% - 100%	50% - 100%	50% - 100%	50% - 100%
Between 20% - 30%	100% - 150%	100% - 150%	100% - 150%	100% - 200%
Between 30% - 40%	150% - 200%	150% - 200%	150% - 200%	200% - 300%

The table below details the Part A RSUs granted to our named executive officers during Fiscal 2018. The company-wide Part A payouts, driven largely by our Equity IRR calculations, were 55%, 75%, 100% and 85% for the first quarter, second quarter, third quarter and fourth quarter, respectively. The first quarter Part A RSU payout for Mr. Caruso was 0% given our Equity IRR relative to our expectations and to make RSUs available to reward key employees and top sales contributors during the quarter. In general the other NEOs received slightly higher RSU payouts than the rest of the company as they had lower ICC payouts. Fiscal fourth quarter payout of



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COMPENSATION DISCUSSION AND ANALYSIS

200% for Mr. Steinfort and Mr. Waters was delivered to reward them for their strong leadership and their absorption of the responsibilities of Mr. Crouch who departed in May 2018.

Dan Caruso	0	0%	n/a	n/a	n/a	n/a	n/a	n/a
Matt Steinfort	9,363	75%	10,086	85%	15,669	125%	23,758	200%
Jack Waters	8,457	75%	9,109	85%	21,228	125%	32,186	200%
Andrew Crouch	28,307	75%	30,490	85%	0	0%	n/a	n/a
Ken desGarennnes	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Company Payout		55%		75%		100%		85%

Note: Reflects RSU grants earned based on target compensation. Excludes sign-on RSUs for Mr. Crouch and Mr. Waters.

Part B RSUs. Under our Part B RSU program, our named executive officers are awarded grants of Part B RSUs on a quarterly basis. The number of Part B RSUs granted at the beginning of the measurement period is based upon the applicable NEO's target value divided by the average closing price of the Company's Common Stock over the last ten trading days of the quarter preceding the measurement period, increased by 15%, which represents our target stock price appreciation over the associated performance period. We believe our 15% stock price appreciation objective represents a challenging performance objective, which significantly exceeds historical market returns. The number of shares that vest in relation to the Part B RSUs is based on our stock price appreciation over the 12 month measurement period following the grant. In Fiscal 2018, all shares vesting in relation to Part B RSUs were required to be held by the recipients for 12 months following the vesting dates.

Part B Grant and Earning Illustration

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COMPENSATION DISCUSSION AND ANALYSIS

The table below details our named executive officers' quarterly Part B RSU target awards during Fiscal 2018. The target Part B RSU awards were calculated based on an average closing price of our Common Stock for the last ten trading days of each quarter, increased by 20% for the 1st quarter and increased by 15% for the 2nd, 3rd and 4th quarters. For the quarters ended June 30, 2017, September 30, 2017, December 31, 2017 and March 31, 2018, the average closing price was \$31.50, \$34.64, \$36.45 and \$34.50, respectively.