



**CONSOLIDATED COMMUNICATIONS
RETIREMENT PLAN**

**As Amended and Restated Effective January 1, 2016
and As Amended Thereafter**

Summary Plan Description

As it applies to

**Illinois Bargaining IBEW Local 702
Participants**

Consolidated Communications Retirement Plan
Summary Plan Description
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Introduction to the Consolidated Communications Retirement Plan

The Illinois Consolidated Telephone Company Retirement Income Plan for Hourly-Paid Employees, which was most recently amended and restated effective January 1, 1997, was merged with the Consolidated Communications Ventures Company Retirement Plan and renamed the Consolidated Communications Retirement Plan, effective as of January 1, 2008, (“Plan” or “Retirement Plan”). The Plan was subsequently amended and restated effective January 1, 2016.

The information presented here is a summary of the legal documents which govern the Plan as it applies to Illinois Bargaining IBEW Local 702 Participants. Please take some time to carefully read this Summary Plan Description (“SPD”). The Plan includes several options from which you may select in your retirement planning. These options will affect such things as when and how your benefits are paid. In order to make full use of these options, it is important that you fully understand them.

The Plan provides for benefit payments to your spouse or beneficiary under certain conditions. You should understand the conditions and the steps you must take to become eligible for these benefits.

You should remember that this SPD is only a summary. It does not alter the Plan in any way. The actual text of the Plan (including amendments) and the related Trust Agreement control in all instances, including any instance in which there may be an inconsistency between the contents of this SPD and the contents of the legal documents. **In addition, please note that this version of the SPD is tailored to describe your benefits only if you are covered by the terms of the collective bargaining agreement between Illinois Consolidated Telephone Company and IBEW Local 702, and the references in the SPD to “Participant” mean Illinois Bargaining IBEW Local 702 Participants. If you are *not* an Illinois Bargaining IBEW Local 702 Participant, please contact your Human Resources Department for information with respect to your benefits under the Plan.**

The Plan, along with other documents pertaining to the Plan, may be examined by you, your beneficiaries, or your legal representative by appointment at your Human Resources Department. Any questions not answered by this SPD should be directed to the Pension Committee whose address and telephone number are included in the “Plan Administrative Information” section of this booklet.

This SPD applies to Participants who terminate employment on or after January 1, 2016. If you terminated employment prior to that date, the SPD in effect at the time of your termination applies to you.¹

¹ Employees hired on and after June 1, 2009 and prior to May 1, 2013 could make an irrevocable election to waive participation in the Plan and instead receive other benefits provided for in the collective bargaining agreement between Illinois Consolidated Telephone Company and IBEW Local 702. If you made such an election, you are not a Participant and you do not earn any benefits under this Plan.

Your Human Resources Department can also help you with any questions you may have about the Retirement Plan or about any of the benefit plans provided by the Company. Your Benefits Representative can be reached in the Mattoon, IL office of Consolidated Communications at 217-235-3373.

Summary of How the Retirement Plan Works

The Retirement Plan provides eligible employees with a benefit at retirement or termination of employment. Your Retirement Benefit is generally determined by your service, your pay and your age at the time you begin receiving benefits from the Plan.

As you read this SPD, you should be aware of two important items:

- 1) Eligibility under the Plan was “frozen” for all Employees as of May 1, 2013. This means that no employee who is first hired or rehired on or after May 1, 2013, including an employee who would otherwise qualify as an Employee or Participant, will be eligible to participate in this Plan.

The Plan was previously frozen for part-time employees, effective as of April 1, 2006. This means that no employee who is classified as a part-time employee but who had not met the Plan’s eligibility requirements as of April 1, 2006 is eligible to participate in this Plan.

The applicable date as of which participation was frozen is referred to as the “Participation Freeze Date.” You will see references to the Participation Freeze Date in several places throughout this SPD.

- 2) The Plan’s benefit formula was changed from a Traditional Retirement Formula to a Cash Balance Formula effective May 1, 2013. This means that if you are a part-time participant who is employed continuously by the Company from before April 1, 2006 through a date after May 1, 2013, or if you are any other participant who is employed both before and after May 1, 2013, your total Retirement Benefit consists of two pieces: the portion of your benefit earned prior to May 1, 2013 based on the Traditional Retirement Formula, and the portion of your benefit earned on and after May 1, 2013 based on the Cash Balance Formula.

If your employment with the Company ended prior to May 1, 2013 (or you met the Plan’s eligibility requirements prior to April 1, 2006, if you are a part-time employee), your entire benefit is based on the Traditional Retirement Formula.

Retirement Benefit – Traditional Benefit Formula

The portion of your Retirement Benefit determined under the Traditional Benefit Formula is payable on or following your Normal, Postponed or Early or Disability Retirement Date.

Normal Retirement Benefit

The Normal Retirement Benefit is payable to each Participant who retires on or after his/her Normal Retirement Age, and is calculated pursuant to the section of this SPD titled “Your Retirement Benefit.” Your “Normal Retirement Age” is the date you reach age 65 and your “Normal Retirement Date” is the first day of the calendar month coincident with or next following the date you reach your Normal Retirement Age.

Postponed Retirement Benefit

You may continue to work after your Normal Retirement Date. If you choose to do so, the first day of the month coincident with or next following the date you leave employment with the Company will be your “Postponed Retirement Date.”

Early Retirement Benefit

“Early Retirement Benefits” are payable if you retire on or after the date you reach age 55 (your “Early Retirement Age”). The first day of the month coincident with or next following the date you leave employment with the Company will be your “Early Retirement Date.”

Disability Retirement Benefit

A “Disability Benefit” is provided to Participants who have 20 years of Vesting Service and who terminate employment (i) due to a physical or mental condition which renders them eligible for disability benefits under the Company’s long-term disability plan or (ii) and are eligible for and receiving disability income benefits under the Social Security Act.

Vested Benefit

Participants who terminate employment with the Company at any time after completing at least five years of Vesting Service (or three years of Vesting Service if the Participant is also entitled to a Retirement Benefit determined under the Cash Balance Formula) are eligible to receive the portion of their Retirement Benefit determined under the Traditional Retirement Formula once they have reached age 55.

Retirement Benefit – Cash Balance Formula

The portion of your Retirement Benefit determined under the Cash Balance Formula can be paid following your termination of employment, if you are vested. Participants who terminate employment with the Company at any time after completing at least three years of Vesting Service are eligible to receive the portion of their Retirement Benefit determined under the Cash Balance Formula at any time after they terminate employment.

Death Benefit

A “Death Benefit” is generally payable to the spouse of a Participant who dies prior to receiving payment of his Retirement Benefit.

Cost

The Company pays the entire cost of the Plan. The cost of the Plan is determined actuarially on an annual basis by an independent actuary. The Company contributes to the trust fund based on information furnished annually by the independent actuary. Employees are not required, nor permitted, to contribute to the Plan.

Retirement Plan Terms And What they Mean

It is important to understand the following terms which are used throughout this booklet.

Benefit or Retirement Benefit

Your “Benefit” or “Retirement Benefit” is the amount of your benefit under the Plan to which you are entitled as of the date of calculation. The portion of your Retirement Benefit based on the Traditional Retirement Formula is based on your Final Average Earnings and Credited Service, and the portion of your Retirement Benefit based on the Cash Balance Formula is equal to the balance of your Cash Balance Account as of the date of calculation.

Break in Service

A “Break in Service” occurs when you leave the Company, and are not re-employed by the Company within 12 months. Any leave of absence approved by the Company generally will not cause a Break in Service provided you return to work on or before the date your approved leave ends and the leave is not longer than one year. A leave of absence for qualified military service under applicable law will not cause a Break in Service as long as you return to work while you have reemployment rights under the law. If you do not return to the Company at the end of military service or an approved leave, you will be considered terminated as of the earliest of:

- the date on which your leave expired;
- the first anniversary of the date your leave began; or
- the date of your retirement, termination, discharge, resignation, or death.

In determining the length of your Break in Service for the above purposes, you should exclude up to the first two years of any absence that is due to maternity or paternity leaves. See the section of this SPD entitled “Special Rules for Maternity and Paternity Absences” for more details.

Cash Balance Formula

The method for calculating the portion of the Retirement Benefit accrued on and after May 1, 2013 of Participants who terminate employment on or after May 1, 2013.

Code

“Code” means the Internal Revenue Code of 1986, as amended.

Company

“Company” means Consolidated Communications, Inc.

Credited Service

“Credited Service” is used to calculate your benefit under the Traditional Retirement Formula. Generally, Credited Service is the number of completed years and months from your date of hire

to the earliest of April 1, 2006 (if you are a part-time employee), May 1, 2013, or your date of termination or retirement. You earned a year of Credited Service if you completed 1800 Hours of Service in a year, and if you completed fewer than 1800 Hours of Service in a year, you earned 1/12 of a year of Credited Service for each full 150 Hours of Service you completed. Credited Service does not include leave of absences approved under the Family and Medical Leave Act. "Credited Service" does not include any service you earn while you are not considered an Employee.

Earnings

"Earnings" means your last regular basic hourly rate of compensation which you received from the Company or member of the Company's controlled group, during any calendar year multiplied by 2,080. Certain annual IRS Earnings limitations apply for purposes of determining your Plan benefit.

Employee

You are an "Employee" who is eligible to participate in the Plan if you were first hired prior to the Participation Freeze Date, receive compensation from the Company or member of the Company's controlled group for personal service rendered to the Company or controlled group member, and are classified as an hourly employee covered under the bargaining agreement between Illinois Consolidated Telephone Company and the International Brotherhood of Electrical Workers Local 702, which negotiates employee benefits for and on your behalf. You are not eligible if you are (i) a leased employee, (ii) an independent contractor or (iii) covered under any other collective bargaining agreement to which the Company or an affiliate is a party. Persons who would otherwise qualify as Employees but are first hired on or after the Participation Freeze Date are not eligible to participate in this Plan.

Final Average Earnings

"Final Average Earnings" generally is equal to one-fifth of your total Earnings during the five consecutive calendar years out of the last 10 calendar years of service for which your Earnings were the highest. Each of the five highest non-overlapping periods of 12 consecutive calendar months described above must end on the same day and month as the 10-year period described above. Final Average Earnings does not include any Earnings from January 1, 2010 through May 1, 2013 while you were not an Employee during that time.

Notwithstanding the foregoing, your Final Average Earnings are frozen as of the following dates, depending on your employment status. No Earnings or Service earned after these dates will be used to calculate your Final Average Earnings:

- April 1, 2006, if you are classified as a part-time Employee; or
- May 1, 2013, if you are any other participant.

Hour of Service

An “Hour of Service” means each hour for which you are paid or entitled to payment by the Company or any member of the Company’s controlled group that has adopted the Plan for (a) the performance of duties or (b) reasons other than the performance of duties, such as vacation, holidays, sickness, disability, paid layoff and similar paid periods of nonworking time.

Participant

If you are an Employee who was first hired prior to the Participation Freeze Date, you became a “Participant” of the Plan on the first day of the month following the later of the first anniversary of your date of hire or your 21st birthday. Persons who would otherwise qualify as Participants but are first hired on or after the Participation Freeze Date (or rehired after May 1, 2013) are not eligible to participate in this Plan.

Participation Freeze Date

“Participation Freeze Date” means April 1, 2006 for part-time employees and May 1, 2013 for all other employees. No person who is first hired after the applicable Participation Freeze Date is eligible to participate in the Plan for any period of service on and after the Participation Freeze Date.

Pension Committee

The “Pension Committee” consists of individuals who are responsible for the administration and interpretation of the Plan.

Plan Year

The “Plan Year” is the calendar year beginning on January 1 and ending on December 31.

Single Life Annuity

The “Single Life Annuity” is the automatic form of payment under the Plan for single Participants unless they elect otherwise. Under this form, you receive a monthly benefit that will be paid to you for as long as you live, with no additional payments made to any beneficiary after your death.

Traditional Retirement Formula

The method for calculating (i) the entire Retirement Benefit of Participants who terminate employment before May 1, 2013 and (ii) the portion of the Retirement Benefit earned prior to May 1, 2013 of Participants who terminate employment on or after May 1, 2013.

Vesting Service

“Vesting Service” is used to determine if you are eligible for a benefit. Vesting Service is not necessarily equal to your Credited Service. Generally, “Vesting Service” means your period of service in whole years with the Company and all members of the Company’s controlled group from your date of hire. The first 12 months of any continuous leave of absence is counted as Vesting Service.

Becoming a Retirement Plan Participant

Prior to the Participation Freeze Date, you became a Participant on the first day of the month following the later of the first anniversary of your date of hire or your 21st birthday. If you were hired on or after June 1, 2009 and prior to May 1, 2013, you had the option to make an irrevocable election prior to the date you became eligible to participate not to participate and instead receive the benefits described in the collective bargaining agreement between the Company and the International Brotherhood of Electrical Workers Local 702. Without exception, employees first hired after the Participation Freeze Date are not eligible to participate in the Plan.

Your Retirement Benefit

If you are a part-time employee, or a full-time employee who terminated employment before May 1, 2013, your Retirement Benefit is the amount determined under the Traditional Retirement Formula.

If you are a full-time employee who terminates employment on or after May 1, 2013 (and who has been continuously classified as an Employee through such date), your Retirement Benefit is equal to the sum of (i) your Retirement Benefit as determined under the Traditional Retirement Formula (using your Final Average Earnings and Credited Service as of May 1, 2013) and (ii) your Retirement Benefit as determined under the Cash Balance Formula (using your monthly base wages determined after May 1, 2013).

Retirement Benefit Under the Traditional Retirement Formula

Your Retirement Benefit under the Traditional Retirement Formula is equal to the Plan benefit you have earned as of the earliest of April 1, 2006 (if you are a part-time employee), May 1, 2013, or your date of termination or retirement. This Retirement Benefit is the amount you would receive if it were paid in the form of a monthly Single Life Annuity. This benefit generally commences on your Normal Retirement Date.

The benefit you earn under the Traditional Retirement Formula is based on your years of Credited Service, your Final Average Earnings, and your age when benefits commence.

Your Retirement Benefit is initially calculated as the amount that is payable at your Normal Retirement Date. If, however, you begin receiving your Retirement Benefit prior to your Normal Retirement Date, the amount may be reduced to take into account the fact that your Retirement Benefit will be paid over a longer period of time.

Normal Retirement Benefits

Your “Normal Retirement Date” is the first day of the month falling on, or next following, the date you reach age 65 (your “Normal Retirement Age”).

If you terminate employment with the Company on your Normal Retirement Date, you will receive a monthly benefit equal to the following formula:

Your number of years of Credited Service determined as of your Normal Retirement

Date

multiplied by

Your Final Average Earnings

multiplied by

1.30%

divided by

12

Normal Retirement Benefit Calculation Examples

Example 1

Suppose you retire on January 1, 2015, with 30 years of Credited Service.* Also assume that your Final Average Earnings* is \$50,000. Your Normal Retirement Benefit would be computed as follows -

Years of Credited Service		30
Final Average Earnings	x	\$50,000
Retirement Factor	x	0.0130
	÷	12
Normal Retirement Benefit		<u>\$1,625.00</u>

Example 2

Suppose you retire on January 1, 2015, with 25 years of Credited Service.* Also assume that your Final Average Earnings* is \$55,000. Your Normal Retirement Benefit would be computed as follows -

Years of Credited Service		25
Final Average Earnings	x	\$55,000
Retirement Factor	x	0.0130
	÷	12
Normal Retirement Benefit		<u>\$1,489.58</u>

* Determined as of May 1, 2013

If you are not married when you retire and do not choose another method of benefit payment, your monthly Normal Retirement Benefit payable as a Single Life annuity will be \$1,625.00 (as calculated under the above Example 1) or \$1,489.58 (as calculated under the above Example 2).

If you are married when you retire and do not choose another method of benefit payment (with your spouse's consent, if necessary) your monthly Normal Retirement Benefit will be payable under the Joint and 50% Contingent Annuity. Your Single Life Annuity benefit will be actuarially adjusted to take into account that payments will be made over two lifetimes instead of just yours.

For an explanation of your benefit options, see the section of this SPD entitled "Available Forms of Payment."

Early Retirement Benefits

Your “Early Retirement Date” is the first day of the month following the date you retire, if you retire after you reach age 55 but before your Normal Retirement Date.

If you terminate employment with the Company when you are eligible for Early Retirement, your Retirement Benefit will begin on your Normal Retirement Date unless you make an election (with at least 30 days’ prior written notice) to have payments begin on an earlier date. As a general rule, you may elect earlier payment, in which case your Early Retirement Benefit will be determined by reducing your Normal Retirement Benefit by 1/3% for each month (or 4% for each year) that payments begin before the first day of the month coincident with or next following your 60th birthday. (See the section of the SPD titled “Rule of 85 Exception” below for an exception to this general rule.)

The following table shows the Early Retirement Adjustment Factor for each year after you reach age 55 if you retire on your birthday.

<u>Age on Early Retirement Date</u>	<u>Early Retirement Adjustment Factor</u>
65	100%
64	100%
63	100%
62	100%
61	100%
60	100%
59	96%
58	92%
57	88%
56	84%
55	80%

The Early Retirement Adjustment Factor is based on your age (in completed years and months) as of your Early Retirement Date. The Early Retirement Adjustment Factor is used to adjust for the fact that your benefits will begin before you reach age 60, and will be paid out over a longer period of time. Although the chart above only lists the annual factors, the Early Retirement Adjustment Factor is adjusted monthly, such that, for example, if you retire two months after your 55th birthday, the Early Retirement Adjustment Factor will be 80.67% (80% plus 2 x 1/3%) instead of 80%, to account for the two months following your 55th birthday.

Early Retirement Benefit Calculation Example

Example 3

Suppose you retire on January 1, 2015 at age 55 and with 20 years of Credited Service.* Also assume that your Final Average Earnings* is \$50,000. Your monthly Early Retirement Benefit starting at age 55 is computed as follows -

Years of Credited Service		20
Final Average Earnings	x	\$55,000
Retirement Factor	x	0.0130
	÷	12
Normal Retirement Benefit	\$	1,191.67
Early Retirement Adjustment Factor	x	0.80
Early Retirement Benefit	\$	<u>953.34</u>

* Determined as of May 1, 2013

If you are not married when you begin early retirement and do not choose another method of payment, your monthly Early Retirement Benefit (as calculated under the above example) payable as a Single Life annuity will be \$953.34.

If you are married when you begin early retirement and do not choose another method of payment (with your spouse's consent, if necessary) your Single Life Annuity benefit will be adjusted by a Joint and 50% Contingent Annuity benefit factor based on your age and the age of your spouse.

See the section of this SPD entitled "Available Forms of Payment" for details about other optional forms of benefit payment.

Note that the above Early Retirement adjustment only applies to your Retirement Benefit under the Traditional Retirement Formula. As described below, you may elect to receive payment of your Cash Balance Account at any time following your termination of employment.

Rule of 85 Exception

If you retire early at age 55 or later and the sum of your age and years of Credited Service equals at least 85 (the "Rule of 85"), you can begin receiving your entire Retirement Benefit prior to age 60 without any reduction for the time that payments begin before your 60th birthday. For the purposes of determining eligibility for the Rule of 85 only, you will continue to accrue Credited Service for periods of employment after April 1, 2006 (if you are a part-time employee) or May 1, 2013 (if you are a full-time employee).

Postponed Retirement Benefits

If you continue working past your Normal Retirement Date, your Postponed Retirement Benefit is calculated using your Credited Service and Final Average Earnings as of your Postponed Retirement Date (but not later than April 1, 2006 (if you are a part-time employee) or May 1, 2013 (if you are a full-time employee)). Your monthly payments may be larger than at your Normal Retirement Date due to additional years of Credited Service and, if applicable, pay increases between your Normal Retirement Date and your Postponed Retirement Date. Your monthly Postponed Retirement Benefit will not be less than the monthly Normal Retirement Benefit you would have received if you had terminated employment on your Normal Retirement Date, increased to reflect accumulated interest (using the 30-year Treasury Rate compounded monthly) and your reduced life expectancy.

Vested Benefits

If you terminate employment with the Company for any reason before you are eligible to retire (i.e., before you reach your Early Retirement Age or your Normal Retirement Age, as applicable), you will be entitled to receive a Vested Benefit if you have earned at least five years of Vesting Service (or three years of Vesting Service if you are also entitled to a Retirement Benefit determined under the Cash Balance Formula) at your date of termination. If you terminate employment with the Company for any reason before you reach Early or Normal Retirement Age and you do not have five years (or three years, as applicable) of Vesting Service, you will not be entitled to any benefit from the Plan under the Traditional Retirement Formula.

Your monthly Vested Benefit payments will normally start on your Normal Retirement Date. However, you may elect to start receiving your Vested Benefit beginning as early as the first day of any month coincident with or next following the later of your termination of employment or your 55th birthday. If your payments begin early, your Vested Benefit will be reduced to take into account the early commencement of payments by 1/3% for each month (or 4% for each year) payments begin before the first day of the month coincident with or next following your 60th birthday. The following table shows the reduction factor for each year after you reach age 55 if you start receiving benefits in the month immediately following your birthday.

<u>Age on Benefit Commencement Date</u>	<u>Reduction Factor</u>
65	100%
64	100%
63	100%
62	100%
61	100%
60	100%
59	96%
58	92%
57	88%
56	84%
55	80%

The reduction factor is based on your age (in completed years and months) as of the date you start receiving benefits. The reduction factor is used to adjust for the fact that your benefits will begin before you reach age 65, and will be paid out over a longer period of time. Although the chart above only lists the annual factors, the reduction is adjusted monthly, such that, for example, if you start benefit payments two months after your 55th birthday, the reduction factor will be 80.67% (80% plus $2 \times 4/12\%$) instead of 80%, to account for the two months following your 55th birthday.

Disability Benefits

If you have 20 years of Vesting Service and terminate employment with the Company because you are Disabled, you may apply for Disability Benefits. You must make written application for the payment of a Disability Benefit. You are “Disabled” for purposes of the Plan if (i) you have a physical or mental condition which renders you eligible for disability benefits under the Company’s long-term disability plan or (ii) you are eligible for and receiving disability income benefits under the Social Security Act.

Your Disability Benefit is equal to your Normal Retirement Benefit, calculated without any reduction for commencement prior to your Normal Retirement Date. Your Disability Benefit will be payable beginning on the first day of the month that is at least 150 days after the date you are unable to perform your customary duties for the Company due to your disability.

The Disability Benefit is paid as a Single Life Annuity if you are unmarried or a Joint and 100% Contingent Annuity with your spouse as your beneficiary if you are married (see the definition of “Custom Joint and Contingent Option” in the section of this SPD titled “Payment of Retirement Benefits” for the definition of a Joint and 100% Contingent Annuity). Because your Disability Benefit includes a survivor benefit if you are married, the section of this SPD titled “Death

Benefit – Traditional Retirement Formula” will not apply to your spouse if you die while receiving a Disability Benefit.

Your monthly Disability Benefit will be reduced by the amount of sickness or disability benefit paid for such month by the Company or under any insured plan to which the Company contributes (other than Workmen’s Compensation and Social Security benefits), such that the combined amount of your Disability Benefit and the sickness and disability benefit will not exceed the greater of (i) the Disability Benefit that would have been paid had you not been entitled to any sickness and disability benefit and (ii) the minimum sickness and disability benefit of \$100.

Cessation of Disability Benefits

Your Disability Benefits will cease upon the earliest of (i) the date you cease to receive disability income payments under the Social Security Act and any long-term disability plan provided by the Company, (ii) your death or (iii) your Normal Retirement Date. If you remain Disabled up to your Normal Retirement Date, you will qualify for a Normal Retirement Benefit as described above in this SPD, which will be equal to your Disability Benefit. You will have the option to elect to receive your benefit in a different form than the one in which you were receiving your Disability Benefit, and your monthly benefit amount may change accordingly. (See the section of this SPD titled “Payment of Retirement Benefits” below for the forms of payment, including the optional benefit forms.)

If your Disability Benefits cease because you cease to receive disability income payments under the Social Security Act and any long-term disability plan prior to your Normal Retirement Date and you do not return to the active service of the Company, you will still qualify for an Early Retirement or Vested Benefit if you had met the necessary requirements prior to the date of your disability.

Retirement Benefit Under the Cash Balance Formula

Beginning May 1, 2013, you will be entitled to a Retirement Benefit determined under the Cash Balance Formula if you are a full-time employee, were first employed by the Company prior to May 1, 2013 and you remain a Plan Participant on or after May 1, 2013. (Part-time employees are not entitled to a Retirement Benefit determined under the Cash Balance Formula.) Your Retirement Benefit determined under the Cash Balance Formula is equal to the amount that has accumulated in your hypothetical "Cash Balance Account" as of your date of termination of employment with the Company. This Cash Balance Account consists of two components:

- (1) Cash Balance Contribution Credits made by the Company beginning May 1, 2013; and
- (2) Interest Credits.

These two components are further explained below.

Cash Balance Contribution Credits

You will have a Cash Balance Contribution credited to your Cash Balance Account at the end of each month (beginning May 1, 2013) equal to 4% of your monthly base wages paid for that month. If you terminate employment with the Company, a final Cash Balance Contribution will be credited for the final month of employment (or portion thereof), based on your monthly base wages paid for that period. Base wages in excess of \$265,000 annually (for Plan Years beginning in 2015, and as adjusted in subsequent years under applicable law) are not included for purposes of determining your Contribution Credit.

Interest Credits

As of the end of each month (beginning May 1, 2013), your Cash Balance Account will be credited with Interest Credits based on the balance of your Account as of the first day of that month (less any distributions that occur during the month). Interest Credits will be added to your Account every month until distribution of the Cash Balance Account is made or begins. The rate of interest used to determine the Interest Credit for each month is equal to the monthly average yield on the published rate of the 30-year Treasury bonds for the 12 months ending November 30 of the preceding Plan Year.

Vesting in your Cash Balance Retirement Benefit

Your benefit under the Cash Balance Formula will generally vest according to the following schedule:

<u>Years of Vesting Service</u>	<u>Percent Vested</u>
Less than 3 Years	0%
3 Years or More	100%

Note: this vesting schedule will apply to your total Retirement Benefit if you have a Retirement Benefit under both the Traditional Retirement Formula and the Cash Balance Formula.

Payment of your Cash Balance Retirement Benefit

If you are vested when you terminate employment with the Company, your monthly Retirement Benefit payments under the Cash Balance Formula will normally start on your Normal Retirement Date. However, you can elect to receive your vested Retirement Benefit at any time following your termination of service with the Company. Payments will commence on the first of the month following your request (pending the Company's calculation of your final wage information).

If you are not married when you terminate employment and do not choose another method of benefit payment, the balance in your Cash Balance Account will be actuarially converted into a Single Life Annuity.

If you are married when you terminate employment and do not choose another method of benefit payment (with your spouse's consent, if necessary) the balance in your Cash Balance Account will be actuarially converted into a Joint and 50% Contingent Annuity.

For other payment options, including a lump sum based on the value of your Cash Balance Account, see the section of this SPD entitled "Available Forms of Payment."

Payment of Retirement Benefits

Unless you elect another payment option described below, the amount of your Retirement Benefit (including both the portion determined under the Traditional Retirement Formula and the portion determined under the Cash Balance Formula) is payable under the Single Life Annuity option if you are single and the Joint and 50% Contingent option if you are married.

Each payment option is intended to give you the opportunity to tailor your retirement benefits to your personal needs. Payments may be spread out over different periods of time and with different beneficiary and survivor options. Since some benefit payment options continue benefit payments over a longer period of time, the monthly payment amount is adjusted to take the length of time into account.

In determining the amount of retirement income that is payable under each form of payment, it is assumed that each person who may receive payments has a normal remaining life expectancy. Based on this assumption, all of the forms of payment have the same starting value based upon the average time that each person is expected to live. The Plan specifies the assumptions to be used to convert to those alternative terms of payment.

Available Forms of Payment

You may elect to receive your Retirement Benefit in one of the following optional forms of payment. By law, your benefits must be paid with a guaranteed survivor's benefit if you are married. In the Retirement Plan, this means that, if you are married, your benefit will be paid under a Joint and 50% Contingent option. In order to choose one of the other options, you and your spouse must waive this automatic form of payment (except that you do not need a spousal waiver if you elect another Joint and Contingent option and name your spouse as your joint pensioner, as described below)

Single Life Annuity Option

This is the automatic form of payment for single Participants unless they elect otherwise. Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. No additional payments will be paid to any other person after your death even if you should die after receiving only one payment.

Joint and 50% Contingent Option

This is the automatic form of payment for married Participants unless they elect otherwise. If you are married, your Plan benefit will automatically be paid under this option with your spouse as your joint pensioner, unless your spouse agrees in writing to another optional form of payment. (Note however that you may select another Joint and Contingent option with your spouse as your joint pensioner without your spouse's consent.) You may also choose this form and designate anyone else as your joint pensioner (with your spouse's consent, if you have a spouse). Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. If the person that you have named as your joint pensioner is still living at the time of your death, 50% of the monthly income that you were receiving will be paid to that

person for as long as he or she lives, beginning on the first day of the second month following your death. (For the first month following your death, the joint pensioner will receive the monthly amount paid to you while you were alive.) If your joint pensioner is not living at the time of your death, then no additional payments will be made after your death. The monthly amount of your benefit is adjusted to consider life expectancy for both you and your joint pensioner.

Custom Joint and Contingent Option

Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. If the person that you have named as your joint pensioner is still living at the time of your death, he or she will receive 100% (or any lesser percentage that you designate) of the monthly income that you were receiving during your lifetime for as long as he or she lives, beginning on the first day of the second month following your death. (For the first month following your death, the joint pensioner will receive the monthly amount paid to you while you were alive.) If your joint pensioner is not living at the time of your death, then no additional payments will be made after your death. The monthly amount of your benefit is adjusted to consider life expectancy for both you and your joint pensioner. Note that IRS limits on the benefit may apply depending on the age difference between you and your joint pensioner.

10 Years Certain and Life Option

Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live, with a guarantee that payments will be made for a minimum of 10 years, as you designate, even if you do not live that long. If you die before you have received payments for 10 years, the remaining payments will be paid to the person you name as your beneficiary for the remainder of the guaranteed 10 year period. If you die after you have received payments for the designated 10 year period, no additional payments will be made after your death.

Level Income Option

This form of payment is only available if you retire prior to attaining the “Social Security Retirement Age” as defined in the Social Security Act in effect on the date your retirement income payments commence. Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. This monthly benefit amount will be fixed until you reach your Social Security Retirement Age, at which point it will decrease in order to provide, as close as possible, a uniform monthly amount of retirement income, taking into account the anticipated primary amount of Social Security benefits payable to you (as estimated at the date you retire).

Lump Sum Payments

You may elect to receive a single lump sum payment of your Cash Balance Account, regardless of the amount.

As with other payment options, lump sum payments are taxable as ordinary income. You can defer paying taxes on a lump sum distribution that is rolled over or transferred directly to another qualified plan, a traditional individual retirement account (IRA)

described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity contract described in Section 403(b) of the Code or an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this plan (collectively, “Eligible Retirement Plans”). If a lump sum distribution is made to your spouse (or a former spouse who is the alternate payee under a qualified domestic relation order), your spouse may also defer paying taxes by rolling the distribution over to an Eligible Retirement Plan; a non-spouse beneficiary may defer paying taxes on a lump sum distribution by rolling the distribution over to a traditional individual retirement account (IRA) described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code. You, your spouse or your beneficiary may also elect to have your lump sum distribution transferred directly to a Roth IRA described in Section 408A of the Code (which does not provide for the deferral of taxation on the full amount rolled over). If you do not elect a direct transfer of the entire lump sum payment, the Plan is required to withhold 20% of the taxable amount distributed. You will receive a summary of current IRS rollover rules when you apply for a lump sum payment. Talk to a professional tax or financial consultant to help you decide which payment option best suits you.

Note that unless you elect a separate lump sum payment of your Cash Balance Retirement Benefit, you must elect a single form of payment applicable to the total combined Retirement Benefit (i.e., both the portion determined under the Traditional Retirement Formula and the portion determined under the Cash Balance Formula). If you elect a separate lump sum payment of your Cash Balance Retirement Benefit, you must elect to begin receiving payment of your remaining Retirement Benefit at the same time, unless the terms of the Plan prohibit it (e.g., because you have not yet reached age 55). Likewise, you may not elect to receive payment of the portion of your Retirement Benefit determined under the Traditional Retirement Formula on a certain date but defer a lump sum payment of your Cash Balance Retirement Benefit to a later date.

The following table summarizes some of the advantages and disadvantages of each method of payment.

Method	Advantages	Disadvantages
Single Life Annuity	Usually the largest monthly income amount.	There is no survivor/beneficiary amount due after death.
Joint and 50% Contingent	Payments will be made for as long as either you or your spouse or other joint pensioner is living.	<p>Payments are smaller than under the Single Life Annuity form of payment while your spouse or joint pensioner is living.</p> <p>Only 1/2 of the monthly amount you were receiving will be paid to your spouse or other joint pensioner after your death.</p> <p>No further benefit payments are made following your death if your spouse or other joint pensioner dies before you.</p>
Custom Joint and Contingent	Payments will be made for as long as either you or your spouse or other joint pensioner is living.	<p>Payments are smaller than under the Single Life Annuity form of payment while your spouse or joint pensioner is living.</p> <p>Unless you elect a Joint and 100% Contingent Option, only a certain percentage of the monthly amount you were receiving will be paid to your spouse or other joint pensioner after your death.</p> <p>No further benefit payments are made following your death if your joint pensioner dies before you.</p>

Method	Advantages	Disadvantages
10 Years Certain and Life	Provides for payments to either you or your beneficiary for at least 10 years.	<p>Payments are usually smaller than under the Single Life Annuity form of payment.</p> <p>No additional payments to a beneficiary if your death occurs after you receive payments for 10 years.</p> <p>Payments stop at the end of 10 years if your death occurs before you receive payments for 10 years.</p>
Level Income	Allows you to receive your combined Plan benefit (as a single life annuity) and Social Security benefit evenly over a longer period time (i.e., before payment of your Social Security benefit begins).	<p>You are not eligible if you retire on or after your Social Security Retirement Age.</p> <p>There is no survivor/beneficiary amount due after death.</p>
Lump Sum	<p>Receive entire value of benefit at once.</p> <p>Can be rolled over to an Eligible Retirement Plan or Roth IRA.</p>	<p>No future monthly payments.</p> <p>Tax burden falls in year received unless it is rolled over to an Eligible Retirement Plan.</p>

Important Factors in Choosing the Form of Payment

Before choosing the way you want to receive your retirement income, you need to give serious consideration to your own special circumstances. You should consider your own health and, if applicable, the health of your spouse, and what will happen to your dependents after your death. You should also consider any additional money that will be available to provide for the security of your family after your death from sources such as the Company's 401(k) savings plan, from Social Security, and from your other savings and insurance.

Electing a Form of Payment

Before your payments start, you will be given information to help you decide on the form of payment you want. If you have questions about the forms of payment or if you need additional information, you may ask the Pension Committee to provide you with the additional information. Requests for information should be specific and should be made in writing.

After you make your decision, your election must be properly completed and filed with the Pension Committee no earlier than 180 days before the date your retirement income payments actually start and no later than your filing deadline date. Your filing deadline date is the date that your retirement income payments are scheduled to start. If you should request any additional

information concerning your benefits, your filing deadline date will be extended, if applicable, to the date 180 days after the date you are furnished such information.

If you do not file your election with the Pension Committee before the date your retirement benefits are scheduled to start, the commencement of your retirement benefit payments will be delayed until your election is completed and filed with the Pension Committee. If you file an election but do not indicate a specific form of payment by the end of your filing deadline date, you will be deemed to have elected the Joint and 50% Contingent Survivor Option if you are married or the Single Life Annuity Option if you are not married.

If you wish, you may change your election at any time after the date that you were furnished with the facts concerning your benefit options and before your filing deadline date, provided you comply with the requirements of the section of this SPD entitled “Protected Rights of Your Spouse” below.

Retroactive Annuity Starting Date

If you do not receive your election materials prior to your Normal Retirement Date, the Plan gives you the option of electing to have your benefit payments treated as starting as of a “Retroactive Annuity Starting Date” that is on or after your Normal Retirement Date but prior to the date that your benefit payments actually begin. Your spouse as of the elected Retroactive Annuity Starting Date generally must consent to the distribution in accordance with the section of this SPD entitled “Protected Rights of Your Spouse.”

If you elect a Retroactive Annuity Starting Date, your first benefit payment will include a make-up payment that is equal to the total payments that would have been made through the day of your first actual payment had payments actually begun on your Normal Retirement Date, plus an appropriate interest adjustment for the period between the Retroactive Annuity Starting Date and the date that the make-up payment is made. The future periodic payments that you receive will be calculated as if your benefit payments had actually begun on your Retroactive Annuity Starting Date.

Your Retroactive Annuity Starting Date can be any date on or after your Normal Retirement Date that you are otherwise eligible to begin receiving benefit payments under the terms of the Plan. Such an election may be made at any time after your Normal Retirement Date. The Retroactive Annuity Starting Date will be treated as the actual date your benefit payments began for purposes of satisfying the benefit limitations of the Code.

Protected Rights of Your Spouse

Under federal law, your spouse has a protected right to receive a benefit that is payable for the remainder of your spouse’s life if you die after your benefit payments have started and is actuarially equivalent to 50% of the monthly payments you were receiving prior to your death. Your spouse can waive these protected rights by signing a consent waiver before your benefit payments begin. In addition, if your spouse waives these protected rights, any subsequent change in your election of an optional form of benefit will require the consent of your spouse unless your spouse previously acknowledged in his or her prior consent that you have the right to change the

form of benefit without your spouse's further consent. Your spouse must also consent to any subsequent change in beneficiaries.

If the consent of your spouse is required, it must be in writing, must be witnessed by a notary public or a Plan representative, and must be filed with the Pension Committee at the same time that you file your election as described above.

Small Benefits

If, at the time your employment with the Company terminates, you are under age 65 and the lump sum present value of your total Retirement Benefit is less than \$1,000, the Plan will pay your Retirement Benefit in a single lump sum cash payment.

If, at the time your employment with the Company terminates, you are under age 65 and the lump sum present value of your total Retirement Benefit is less than \$5,000 but greater than \$1,000, the Plan will pay your Retirement Benefit in a single lump sum cash payment or direct rollover, as you elect, as soon as practicable after your termination date. (See the section of this SPD entitled "Lump Sum Payments" above for more details on rollovers.) If you do not make such an election, your Retirement Benefit will not be paid to you until you reach age 65.

If, at the time your employment with the Company terminates, you are age 65 or older and the lump sum present value of your total Retirement Benefit is less than \$5,000, the Plan will pay your Retirement Benefit in a single lump sum cash payment or direct rollover, as you elect, as soon as practicable after your termination date. (See the section of this SPD entitled "Lump Sum Payments" above for more details on rollovers.)

Death Benefits Under the Retirement Plan

Your spouse may be eligible for a Death Benefit should you die before you begin receiving payment of your Retirement Benefit. This section explains the Death Benefits payable to your spouse under the Retirement Plan, and explains your and your spouse's rights. If you are unmarried and you die before you begin receiving payment of your Retirement Benefit, no Death Benefit will be paid to any person.

Death Benefit - Traditional Retirement Formula

If you are vested in your Retirement Benefit and you die prior to the date payment of your Retirement Benefit is made or commences, a Death Benefit will be payable on your behalf under the Plan from the portion of your Retirement Benefit determined under the Traditional Retirement Formula as follows:

If You Die Before Your Early Retirement Age Without Completing 25 Years of Service

Should you die prior to your Early Retirement Age and you have not completed 25 years of Vesting Service), the Death Benefit is payable to your spouse in the form of a monthly annuity, beginning on the date that would have been your Early Retirement Date (your "earliest commencement date"). The Death Benefit will be payable in an amount equal to the benefit that would have been payable to your spouse if you had terminated employment on the date of your death, survived until you attained age 55, elected immediate commencement of a Joint and 50% Contingent Annuity form of payment and died the following day.

By giving written notice, your spouse may elect to defer payment of the death benefit until any date that is prior to your Normal Retirement Date.

If You Die After Your Early Retirement Age or Your Completion of 25 Years of Service.

Should you die after your Early Retirement Age, or after you have completed 25 years of Vesting Service, the Death Benefit is payable to your spouse in the form of a monthly annuity, beginning on the first day of the first month that begins on or after your death, in an amount equal to the benefit that would have been payable to your spouse if you had retired the day before your death and elected immediate commencement of a Joint and 50% Contingent Annuity form of payment.

By giving written notice, your spouse may elect to defer payment of the death benefit until any date that is prior to your Normal Retirement Date.

Death Benefit - Cash Balance Formula

If you die before payment of the portion of your Retirement Benefit determined under the Cash Balance Formula begins (regardless of whether you die before, on or after your Early Retirement Age or your completion of 25 years of Vesting Service), such portion will be paid to your spouse beginning on the first day of any month following your death, as your spouse

elects. Payment will be made, as your spouse elects, either in the form of a lump sum or a single life annuity payable over the life of your spouse.

If your spouse is eligible to receive payment of the Death Benefit under the Cash Balance Formula and the Traditional Retirement Formula at the same time, your spouse must elect to begin payment of both Death Benefits simultaneously. For example, if your spouse elects a separate lump sum payment of your Death Benefit under the Cash Balance Formula, he or she must elect to begin receiving payment of the remaining Death Benefit at the same time, if possible. Likewise, your spouse may not elect to receive payment of the portion of your Death Benefit determined under the Traditional Retirement Formula on a certain date but defer a payment of your Death Benefit under the Cash Balance Formula to a later date.

Death after Payments Begin

Whether or not a benefit will be payable upon your death after you begin receiving your Retirement Benefit depends on the form of retirement income you were receiving. Each form provides different protection for your spouse or other beneficiary. In many cases there will not be any additional payments due after your death. See the section of this SPD entitled “Available Forms of Payment” for more information on survivor benefits under different benefit payment options.

Benefit Claim Procedures

If you wish to file a claim for benefits under the Plan, the Benefits Representative will supply you with all the forms necessary for the proper filing of your claim. You should contact your Human Resources Department for these forms. **It is your responsibility to inform the Company of any change in address.**

The Pension Committee will respond to a claim for benefits within 90 days after it receives your claim, unless special circumstances require an extension of time for processing the claim (limited to one 90 day extension). Any time a claim for benefits is denied by the Pension Committee in whole or in part, you will be notified by the Pension Committee of such denial in writing. Unless you direct otherwise, this notice will be mailed to your last known mailing address. The Pension Committee's notice will indicate any information affecting your claim, including:

- (i) the specific reason or reasons for the denial of benefits;
- (ii) a specific reference to the pertinent provisions of the Plan upon which the denial is based;
- (iii) a description of any additional material or information which is necessary to perfect the claim together with an explanation of why such material or information is necessary; and
- (iv) notice that any appeal of an adverse determination must be in writing to the Pension Committee within 60 days after receipt of the Pension Committee's notice of denial of benefits, along with a description of the Plan's appeal procedures and the applicable time limits, and a statement of your right to bring civil action under ERISA Section 502(a) following a denial on appeal.

Within 60 days after receipt of a notice of a denial of benefits as provided above, if you, as the claimant, disagree with the denial of benefits, you or your authorized representative must request, in writing, that the Pension Committee review your claim and may request to appear before the Pension Committee for such review. You may submit additional written comments, document, records and other information relating to the claim. In conducting its review, the Pension Committee shall consider any written statement or other evidence presented by you or your authorized representative in support of your claim, regardless of whether you submitted such information with your original claim. The Pension Committee shall give you or your authorized representative reasonable access free of charge to all pertinent documents necessary for the preparation of your claim.

Within 60 days after receipt by the Pension Committee of a written application for review of your claim, the Pension Committee shall notify you of its decision by delivery or by certified or registered mail to your last known address. However, in the event that special circumstances require an extension of time for processing the application for review, the Pension Committee shall so notify you of the need for an extension in writing, indicating the circumstances requiring

an extension of time and the date by which the Plan expects to render the determination on review. Such extended period of review may last not later than 120 days after receipt of the application.

In the case of a denial on review, the notification shall set forth in writing, in a manner calculated to be understood by the claimant, the following:

- (i) the specific reason or reasons for the denial;
- (ii) reference to the specific Plan provisions on which the benefit determination is based;
- (iii) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and
- (iv) a statement of your right to bring an action under ERISA Section 502(a).

The Pension Committee's decision on an appeal will be final. Once the above appeal process has been followed, there will be no further appeal on any ruling by the Pension Committee.

Leaves of Absence And Military Service

Any leave of absence approved by the Company will not terminate your employment if you return to work on or before the date that your approved leave time ends.

If you do not return to work before the end of your leave time, your employment will be considered terminated as of the earlier of:

- the date your leave time ends, or
- the second anniversary of the date your leave began.

However, should you retire, resign, be discharged, or terminate your employment for any other reason before the end of your leave time, your employment will be considered terminated as of the date of your retirement, resignation, discharge, or other termination.

If you have to leave the Company because of military service, your employment will not be terminated if you return to work with the Company within either:

- the period of time that you have reemployment rights under Federal law, or
- 30 days after discharge if no Federal law is applicable.

Special Rules for Maternity and Paternity Absences

A “Qualified Maternity or Paternity Leave” refers to an approved absence from work, beginning on or after January 1, 1985, because:

- You are pregnant,
- You or your spouse gives birth to a child,
- You adopt a child, or
- You need to care for your child for a period of time following birth or adoption.

Up to 12 months of a Qualified Maternity or Paternity Leave beginning after January 1, 1985, may be included as Vesting Service. If your employment should be terminated before you return to work from a Qualified Maternity or Paternity Leave, you may exclude up to the first two years of your absence in determining the length of your absence.

Loss of Benefits Under the Retirement Plan

The Retirement Plan is a valuable tool in planning for your retirement years. However, in some instances you may lose access or eligibility to your Retirement Benefit.

Termination of service

If your employment with the Company ends before you earn a vested Retirement Benefit, you will not receive, and will not be entitled to, any benefits under the Plan.

Change of Address

If you leave the Company after earning a vested Retirement Benefit under the Plan, you must keep the Pension Committee informed of your current mailing address. You will not be paid your vested Benefit if you cannot be located.

Non-Assignability of Benefits

The Plan's assets are used exclusively to provide benefits to you and your survivors while the Plan continues. Plan assets cannot be used for any other purpose. This applies both to the Company and to you. You cannot assign, transfer or encumber your benefits, nor can you use your Plan benefit as collateral for a loan.

Qualified Domestic Relations Orders (QDRO)

The Plan must obey court orders (such as divorce decrees) that require a percentage of your benefit to be paid to your spouse, former spouse, child, or dependent, provided that the court order is a "Qualified Domestic Relations Order." Under federal law, in order to be a QDRO, the court order must meet certain legal standards. Please contact your Benefits Representative for further information.

Plan Administration, Amendment and Termination

Plan Administration

The Pension Committee is the "Plan Administrator". The Plan Administrator is responsible for the administration of the Plan and shall have all such powers, authority and discretion as may be necessary to implement and carry out the provisions of the Plan and to interpret and construe all of the terms, provisions and limitations of the Plan. Such powers, authority and discretion of the Plan Administrator include, but are not limited to, the powers, authority and discretion to:

- Determine all questions regarding eligibility to participate in the Plan, as well as all questions regarding the status of particular Employees, Participants and others in relation to the Plan;

- Determine all questions regarding eligibility to receive benefits under the Plan, and the amount of benefits;
- Interpret and construe all terms, provisions and limitations of the Plan, including without limitation, any and all doubtful, disputed or ambiguous provisions;
- Evaluate the compliance by Participants of their respective obligations and responsibilities under the Plan; and
- Establish binding rules for the administration and implementation of the Plan.

Plan Amendment

The Company reserves the right to amend the Plan at any time. However, no amendment to the Plan can retroactively reduce benefits already accrued by you, except when required to comply with an act of Congress or an Internal Revenue Service rule.

Right of Plan Termination

Although the Company intends the Plan to continue, it reserves the right to terminate the Plan at any time. Upon termination of the Plan, you would become 100% vested in your current Retirement Benefit. However, benefits would be provided only by the assets of the Trust Fund at the time of Plan termination, (or by the Pension Benefit Guaranty Corporation (PBGC), in accordance with federal law) and no further contributions would be made. The assets would be distributed in a manner approved by the Internal Revenue Service and in accordance with rules administered by the PBGC.

Distributions in Event of Plan Termination

In the event that the Plan is terminated, annuities may be purchased from an insurance company to provide the benefit to which you are entitled. However, small benefits with a value of less than \$5,000 may be paid in a lump sum or rollover, as applicable.

Benefits Insured by PBGC

Your pension benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC), a federal insurance agency. If the Plan terminates (ends) without enough money to pay all benefits, the PBGC will step in to pay pension benefits. Most people receive all of the pension benefits they would have received under their plan, but some people may lose certain benefits.

The PBGC guarantee generally covers: (1) normal and early retirement benefits; (2) disability benefits if you become disabled and are entitled to them before the Plan terminates; and (3) certain benefits for your survivors.

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit

increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

Even if certain of your benefits are not guaranteed, you still may receive some of those benefits from the PBGC depending on how much money the Plan has and on how much the PBGC collects from employers.

For more information about the PBGC and the benefits it guarantees, ask your Plan Administrator or contact the PBGC's Technical Assistance Division, 1200 K Street N.W., Suite 930, Washington, D.C. 20005-4026 or call 202-326-4000 (not a toll-free number). TTY/TDD users may call the federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4000. Additional information about the PBGC's pension insurance program is available through the PBGC's website on the Internet at <http://www.pbtc.gov>.

Investment of the Retirement Plan Trust Fund

The contributions made by the Company to the Plan are deposited and held in the Trust Fund associated with the Plan.

Plan Trustee

Northern Trust Company serves as “Trustee” of the Retirement Plan Trust Fund. The Company or the Committee has the exclusive right and authority to designate or change the Plan’s Trustee. While the Plan continues, assets held by the Retirement Plan Trust Fund can be used only to pay benefits under the Plan and to pay certain administrative expenses of the Plan. Benefit payments are being made by the Trustee from assets held in the Trust Fund.

Trust Fund Investments

The assets of the Plan’s Trust Fund are invested under the terms of a trust agreement between the Company and the Trustee.

Your Legal Rights Under the Retirement Plan

As a Participant in this Plan, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). ERISA provides that all Plan Participants shall be entitled to:

- **Receive Information About Your Plan and Benefits**

(1) Examine, without charge at the Plan Administrator’s office and at other specified locations, such as worksites, all Plan documents and copies of all documents governing the Plan, and a copy of the latest annual report (Form 5500 Series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration.

(2) Obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan, and copies of the latest annual report (Form 5500 Series) and updated SPD. The Plan Administrator may make a reasonable charge for the copies. You may also obtain a copy of certain Plan documents from your union representative.

(3) Receive a summary of the Plan’s annual financial report. The Plan Administrator is required by law to furnish each Participant with a copy of this summary annual report.

(4) Obtain a statement telling you whether you have a right to receive a benefit at your Normal Retirement Date and if so, what your benefits would be on your Normal Retirement Date if you stop working under the Plan now. If you do not have a right to a benefit, the statement will tell you how many years you have to work to get this right. This statement must be requested in writing and is not required to be given more than once every twelve months. The Plan Administrator must provide the statement free of charge.

- Prudent Actions by Plan Fiduciaries

In addition to creating rights for Plan Participants, ERISA imposes duties upon the people who are responsible for the operation of the Plan. The people who operate your Plan, called “fiduciaries” of the Plan, have a duty to do so prudently and in the interest of you and other Plan Participants and beneficiaries. No one, including your employer or any other person, may terminate you or otherwise discriminate against you in any way to prevent you from obtaining a benefit or exercising your rights under ERISA.

- Enforce Your Rights

If your claim for a benefit is denied or ignored, in whole or in part, you must have a right to know why this was done, to obtain copies relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for a benefit that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with the Plan’s decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in federal court. If it should happen that Plan fiduciaries misuse the Plan’s money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees if, for example, it finds your claim is frivolous.

- Assistance with Your Questions

If you have any questions about your Plan, you should contact the Plan Administrator. If you have any questions about this statement of your rights under ERISA, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

Retirement Plan Administrative Information

Plan Sponsor

Consolidated Communications, Inc.
c/o Human Resources
350 South Loop 336 West
Conroe, TX 77304
936-539-7270

The Plan is maintained pursuant to a collective bargaining agreement between the Plan Sponsor and the International Brotherhood of Electrical Workers Local 702. Participants and their beneficiaries can obtain a copy of this agreement upon written request to the Plan Administrator or their union representative.

Plan Administrator

Consolidated Communications Pension Committee
c/o Human Resources
350 South Loop 336 West
Conroe, TX 77304
217-235-3373

Plan Name

Consolidated Communications Retirement Plan

Employer Identification Number

02-0636475

Plan Number

001

Plan Trustee

Northern Trust Company
50 South La Salle Street
Chicago, IL 60675

Type of Plan

Defined Benefit Pension Plan

Type of Administration

Employer Administered

Agent for Service of Legal Process

Service of legal process should be made on the Plan Administrator at the address shown above. Service of legal process may also be made upon the Plan Trustee at the address shown above.

Publication Date: July 2016.

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