



Consolidated
c o m m u n i c a t i o n s

**CONSOLIDATED COMMUNICATIONS
RETIREMENT PLAN**

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

Summary Plan Description

As it applies to

Northern New England Management Employees

**For Participants
With Fewer Than 10 Years of Net Credited Service
as of January 1, 2002**

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YOUR PENSION PLAN BENEFITS

Plan History

On March 31, 2008, FairPoint Communications, Inc. (“FairPoint”) acquired certain business operations in Northern New England from Verizon Communications, Inc. (“Verizon”). As a result, certain management employees of Verizon became employees of FairPoint (the “Transferred Employees”). Immediately before the acquisition, the portion of the Verizon Management Pension Plan (the “Verizon Plan”) covering Transferred Employees was spun off to a separate plan. Effective as of March 31, 2008, Fairpoint adopted the spun-off plan and renamed it the FairPoint Communications Northern New England Pension Plan for Management Employees (the “FairPoint Plan”).

Following the acquisition of FairPoint by the parent company of Consolidated Communications, Inc. (the “Company”), the FairPoint Plan merged with the Consolidated Communications Retirement Plan (the “Plan”) effective as of December 31, 2019. As a result of the merger, the FairPoint Plan is now part of the Plan, although the merger did not change any of the provisions of the FairPoint Plan.

The FairPoint Plan portion of the Plan continues to provide benefits to eligible management employees:

- who are Transferred Employees;
- who had an accrued benefit under the Verizon Plan immediately before their employment was transferred to FairPoint; and
- for whom assets and liabilities for their accrued benefits were transferred from the Verizon Plan to the Fairpoint Plan as of March 31, 2008.

Eligibility and Benefits

This Summary Plan Description (the “SPD”) describes the pension benefits of eligible Transferred Employees who had fewer than 10 years of net credited service under the Verizon Plan as of January 1, 2002. If you had 10 years or more years of net credited services as of January 1, 2002, this SPD does not apply to you. Please contact your HR Department to obtain the separate summary plan description describing your benefits under the Plan.

Following are important Plan features to keep in mind:

- All participants under the Verizon Plan stopped earning benefits on June 30, 2006. As a result, as a Plan participant, you are eligible for the benefit you had earned as of that date.
- Because you had fewer than 10 years of net credited service as of January 1, 2002, your benefit is based on the Cash Balance formula. However, if you are a former GTE employee, the Plan calculated a benefit based on the former GTE pension plan formulas through May 31, 2004. You will receive the higher of the benefits calculated for you under

the Cash Balance formula or your former GTE pension plan formulas. Benefits based on alternate formulas may also be available to you. However, no benefits have accrued or will accrue under any formula after June 30, 2006.

- If you were a management employee (or an employee in a “temporary promotion” status for one year or more) earning pension benefits under the Verizon Plan as of June 30, 2006, 18 months of additional pay credits were added to your cash balance account. However, you earn no additional pay credits or pension accrual service on or after July 1, 2006.
- If you were a management employee (or an employee in a “temporary promotion” status for one year or more) earning benefits under the Verizon Plan as of June 30, 2006, you automatically became vested in your pension benefit.
- You can receive benefits from the Plan after you leave the Company and all its affiliates.
- Generally, you can receive your benefit as a single lump sum (unless restrictions apply) or in various types of annuities.
- The Plan pays a death benefit to your spouse or designated beneficiary if you die after you are vested but before benefits begin.

About This SPD

This SPD is designed to help you understand how the Plan works. This SPD is based on the provisions of the Plan as in effect as of January 1, 2020.

In this SPD:

- “Company” refers to Consolidated Communications, Inc.
- “Company affiliates” refers to Company companies that are owned 80% or more by the Company.
- “FairPoint” refers to FairPoint Communications, Inc. and its successor by merger, FairPoint Communications LLC. FairPoint merged into Consolidated Communications Enterprise Services, Inc. (“CCESI”), an affiliate of the Company, on January 7, 2019. As a result, FairPoint is no longer a separate legal entity. References to FairPoint in this SPD refer to the entity as it existed prior to the merger.
- “FairPoint Plan” means the FairPoint Communications Northern New England Plan for Management Employees as in effect prior to its merger into this Plan.
- “Management employees” means employees who are designated in the Company’s Human Resources records as “non-union employees.”
- “Normal retirement date” refers to the last day of the month in which you reach normal retirement age as defined in the “*Vesting*” section of this SPD.

- “Pension Committee” means the Consolidated Communications Pension Committee, which is the Plan Administrator of the Plan.
- “Plan Sponsor” refers to the Company.
- “Transferred Employees” means management employees whose employment was transferred to FairPoint on March 31, 2008 as a result of FairPoint’s acquisition of certain Northern New England businesses from Verizon Communications Inc.
- “Verizon Plan” means the Verizon Management Pension Plan as in effect on March 31, 2008, the date on which assets and liabilities for accrued benefits of Transferred Employees were transferred to the FairPoint Plan.
- The terms “spouse” and “married” have the meaning assigned to those terms under federal law.

Getting More Information

If you have questions about the Plan or need additional information after reading this SPD, contact the Consolidated Communications Pension Service Center at 1-855-409-9592 or online at www.eepoint.com/CCI.

This SPD is intended as a summary of the Plan. The official Plan document contains all of the specific provisions of the Plan. While every effort has been made to ensure the accuracy of the information included in this SPD, if there are any discrepancies between this SPD and the official Plan document, the official Plan document will govern. Copies of official Plan document are available by contacting the Plan Administrator in writing at the address listed in the “*Administrative Information*” section.

ELIGIBILITY AND PARTICIPATION

Special Eligibility Rules

You are eligible for participation in the Plan, with the Cash Balance formula, if you meet all of the following requirements:

- You are a Transferred Employee – that is, a former Verizon management employee whose employment was transferred to FairPoint on March 31, 2008;
- Immediately before your employment was transferred to FairPoint, you were a participant under the Verizon Plan as in effect on March 31, 2008; and:
 - had an accrued benefit under the Verizon Plan;
 - had fewer than 10 years of net credited service under the Verizon Plan as of January 1, 2002; and
 - assets and liabilities for your accrued benefit under the Verizon Plan were transferred to the FairPoint Plan effective as of March 31, 2008.

In general, you were an “eligible employee” under the Verizon Plan if you were hired before January 1, 2006 and, at any time on or after January 1, 2002, and before July 1, 2006, you were a management employee (or an hourly employee covered by a collective bargaining agreement who was temporarily promoted to a regular salaried position for one or more years). On and after July 1, 2006, benefit accruals were frozen and management employees stopped earning benefits under the Verizon Plan. Accordingly, if you are a Transferred Employee, you will be entitled to the benefits you earned under the Verizon Plan as of June 30, 2006. If you were hired, rehired or transferred into a management position on and after January 1, 2006, you do not qualify as an “eligible employee” and are not eligible for participation under the Plan.

When Participation Ends

You are a Plan participant as long as you have a vested benefit in the Plan that has not been paid to you in full.

DETAILS ABOUT SERVICE

This section describes current service rules. Your service may also be affected by your disability (see “*If You Become Disabled*” section), your transfer between Company affiliates (see “*If You Transfer From Eligible Employment*”), a separation from service and rehire (see *If You Are Rehired*) and the mandatory portability rules (see “*Bell System Portability*”).

Types of Service

For the purposes of the Plan, there are three types of service: vesting service, net credited service and, for the former GTE pension plan formulas, pension accrual service. All types of service are counted in years, months and days (rounded to whole months in the case of net credited service).

Type of Service	How it is used
<u>Vesting service</u>	<ul style="list-style-type: none"> • Determines whether you are eligible for (vested in) your benefit under the plan
<u>Net credited service</u>	<ul style="list-style-type: none"> • Determines your points used to calculate pay credits under the Cash Balance formula • Determines your points for the Rule of 75 or the Rule of 73 • For the former GTE pension plan formulas, determines whether you have sufficient service to qualify for an unreduced disability pension
<u>Pension accrual service</u>	<ul style="list-style-type: none"> • Used to calculate the former GTE pension plan formulas benefit for eligible participants

Vesting Service

Your vesting service is equal to the sum of the vesting service you had earned under the Verizon Plan as of March 31, 2008, plus the vesting service you earn while employed with FairPoint and/or the Company and Company affiliates. Under the Plan’s service crediting rules, your vesting service accumulates in years, months and days continuously throughout your employment, whether as a salaried or hourly employee.

Vesting service credit continues if you have a job change from one Company affiliate to another. Vesting service credit ends on your “separation from service” date. You have a separation from service on the date the earlier of the following occurs:

- You leave the Company and all Company affiliates for any reason.
- You are absent on leave for one continuous year, unless a longer period applies for your leave of absence according to Company policy. (You will not be treated as absent for any

period that you are receiving short-term disability benefits under a Company short-term disability plan.)

Note that your years of vesting service can be affected by a leave of absence of more than one year or a break in service. You may also continue to earn vesting service during a disability that continues after your short-term disability benefits end.

Net Credited Service

Your net credited service is equal to the sum of the net credited service you had earned under the Verizon Plan as of March 31, 2008, plus the net credited service you earn with FairPoint and/or the Company and Company affiliates after that date. You earn net credited service in the same way you earn vesting service (see above).

Pension Accrual Service

Your pension accrual service under the Plan is the same pension accrual service you had under the Verizon Plan as of June 30, 2006.

If you are a former GTE employee, your pension accrual service is the sum of your “accredited service” (excluding service that counted for retirement eligibility purposes only) under any former GTE management pension plan as of December 31, 2001, plus your service as an eligible employee under the service crediting rules in effect from January 1, 2002 through May 31, 2004. Under these rules, your pension accrual service accumulated in years, months and days from January 1, 2002 throughout your employment as an “eligible employee” up to May 31, 2004. Pension accrual service credit ended on May 31, 2004.

BENEFIT FORMULAS

If, prior to becoming a Transferred Employee, you were an “eligible employee” under the Verizon Plan and had fewer than 10 years of net credited service as of January 1, 2002, you accrued benefits under one or more formulas through June 30, 2006. Those formulas included:

- The Cash Balance Formula. See the “*How the Cash Balance Formula Works*” section for more information.
- The Former GTE Pension Plan Formulas. If you are a former GTE employee covered by Change in Control (CIC) protections, you also accrued benefits under the former GTE pension plan formulas until May 31, 2004. See “*Grandfathered Formulas for Certain Former GTE Employees*” for more information.
- Any formula described in “*Bell System Portability*” sections, as applicable.

When you retire or leave the Company with a vested benefit, your benefit is based on the applicable formula that provides the highest value to you, based on the benefit you earned through June 30, 2006.

How the Cash Balance Formula Works

Under the Cash Balance formula, you have a cash balance account in the Plan. Your cash balance account had a specific opening balance amount as of January 1, 2002.

After January 1, 2002, pay credits and interest credits were added to your cash balance account at the end of every calendar month during which you were an eligible employee, through June 30, 2006. You may also have qualified for an additional 18 months of pay credits on June 30, 2006, as described below.

On and after July 1, 2006, only interest credits will be credited to your account every month until your benefit is paid to you. You make no contributions to the Plan.

Your Opening Account Balance

If you were an “eligible employee” under the Verizon Plan on January 1, 2002, the amount of your opening account balance depended on the pension plan in which you participated before January 1, 2002:

If you participated in...	Your opening balance was...
A former Bell Atlantic cash balance pension plan	Your balance in that cash balance plan as of December 31, 2001 continued in the Verizon Plan effective January 1, 2002.
A former GTE management pension plan	The Verizon Plan created an opening account balance for you as of January 1, 2002 approximating what your account would have

If you participated in...	Your opening balance was...
	<p>been if you had participated in the Verizon Plan since your date of hire (or your adjusted service date, as appropriate).</p> <p>The calculation started with your current pay (up to the annual limit of \$200,000) and estimated historical pay, assuming past pay increases of 4% per year. Then pay credits and interest credits (assuming 6% interest per year) were determined using your estimated historical pay. The opening balance can never be less than the present value of your accrued benefit as of December 31, 2001 under the GTE formula payable to you at age 65.</p> <p>NOTE: Because your opening balance was based on assumptions, it differed from what your opening balance would have been if the Verizon Plan had done a “true” calculation based on your actual pay history and actual interest rates.</p>

If you were hired as an “eligible employee” on or after January 1, 2002, your opening account balance was \$0. If you were rehired on or after January 1, 2002, your opening account balance also was \$0, unless you had a cash balance account from prior participation that had not been distributed to you. Please note that you will not have a cash balance account under the Plan unless you were an “eligible employee” under the Verizon Plan before July 1, 2006.

Pay Credits

Pay credits were added to your account each month ending after January 1, 2002, and before July 1, 2006, during which you were an “eligible employee” at Verizon. On and after July 1, 2006, no new pay credits are applied to your account.

Pay credits, when they were added, were a dollar amount determined as a percentage of your eligible earnings (as described below) for the applicable month based on your total points. Points used for determining pay credit percentages are the total of your age and net credited service (see *Details About Service* section) counted in years, months and days, then rounded down to the nearest whole number of years. Your pay credit points were determined each January 1 (up to January 1, 2006) and remained the same for the entire year.

Age + Service = points	Pay credit percentage
Fewer than 35 points	4%
35 to 49 points	5%
50 to 64 points	6%
65 or more points	7%

Definition of Eligible Earnings

In general, your “eligible earnings” for purposes of pay credits included your base salary or wages, sales commissions and sales bonuses designated as benefits-eligible, short-term incentive pay (excluding senior managers’ short-term incentives for pay credits), differentials, premiums, single-sum merit payments, temporary increases in pay for temporary promotions, corporate profit sharing awards and any back pay awards.

- For a full-time salaried employee, your base salary was your highest salary rate for the month. For a part-time employee, actual base compensation was used.
- For any unpaid absence for which you earned net credited service on or before June 30, 2006, you were deemed to have eligible earnings equal to your monthly base pay rate in effect immediately before the absence. If you were paid on a commission basis, this “deemed” rate was increased by the monthly average of your commissions for the 12-month period immediately before your absence.

“Eligible earnings” did not include:

- Overtime, employee performance awards, severance pay or any other type of compensation that is not listed above.
- Pay for periods while you were not an “eligible employee” participating in the Verizon Plan.
- Amounts paid after June 30, 2006.

Federal law limits the amount of eligible earnings that may be taken into account in any year. This limit is \$110,000 for the period January 1, 2006 through June 30, 2006 (i.e., 1/2 of the \$220,000 annual limit for 2006).

Example: Determining pay credits

On January 1, 2006, Elena was a regular, salaried employee. As of that date, she was 38 years and 6 months of age (38.5), with 14 years and 3 months of service (14.25), which gave her 52 points ($38.5 + 14.25 = 52.75$ rounded down to 52). As indicated in the chart above, with 52 points, Elena’s cash balance account received pay credits equal to 6% of her monthly eligible earnings each month through June 30, 2006. If Elena’s monthly eligible earnings at the time were \$5,000, her cash balance account was credited with \$300 ($6\% \times \$5,000 = \300) at the end of each month in 2006 through June 30, 2006.

Additional 18 Months of Pay Credits

You qualified for an additional 18 months of pay credits if, on June 30, 2006, you were an “eligible employee” actively participating in the Verizon Plan **and** were one of the following:

- You were actively employed as a salaried employee of a participating company in the Verizon Plan (including an employee in “temporary promotion” status for one year or more).
- You were a former salaried employee of a participating company in the Verizon Plan and receiving benefits under the Verizon long-term disability plan (but not the former Bell Atlantic long-term disability plan) and had not started your pension.
- You were a salaried employee of a participating company in the Verizon Plan on an approved leave of absence that had not exceeded 12 months.
- You were a salaried employee of a participating company in the Verizon Plan on an approved leave of absence that had exceeded 12 months and you return to work on your expected return date under the applicable leave of absence policy.

The additional 18 months of pay credits were credited to you on June 30, 2006, unless you had been on a leave of absence for more than 12 months. If that was the case, the additional 18 months of pay credits were credited to you when you returned to work assuming you returned to work on your expected return date. Former salaried employees who terminated employment before June 30, 2006 generally did not qualify for the additional 18 months of pay credits.

If you qualified for the additional 18 months of pay credits as described above, your cash balance account was increased by (i) your regular pay credit for June 2006, plus (ii) an additional 18 months of pay credits. Your additional 18 months of pay credits are determined by multiplying:

- Your 2006 “pay credit percentage,” determined by your pay credit points (as described above) as of January 1, 2006.

By

- Your base pay for June 2006, plus an “auxiliary pay increment,” equal to 1/12 of your total “eligible earnings” other than base pay, paid to you during the 12 consecutive calendar months ending on June 30, 2006.

Example: Determining pay credits for June 2006 with additional 18 months

Assume as of January 1, 2006, you were exactly 37 years old with 15 years of net credited service. That means you have 52 points (37+15 = 52), so your pay credit percentage for 2006 is 6%. Thus, if your base pay for June is \$5,000 and your eligible earnings (other than base pay) paid within the 12 months ending on June 30, 2006, is \$6,000:

- Your monthly pay credit for June 2006 will equal \$300 (6% of \$5,000).
- The 18 additional months of pay credits added to your cash balance account on June 30, 2006, will equal \$5,940:

$$18 \times 6\% \times (\$5,000 + 1/12 \text{ of } \$6,000) = \$5,940$$

Interest Credits

Interest credits are added to your cash balance account on a monthly basis.

The monthly interest credit is calculated by multiplying your account balance at the end of the applicable prior month by 1/12 of the annual interest credit rate. The annual interest credit rate is the lesser of:

- The average annual yield on U.S. Treasury debt securities with a constant maturity of one year, plus 1%, or
- The average annual yield on 30-year Treasury bonds.

The interest credit rate is adjusted quarterly, based on market rates for the second month of the prior quarter. Rates are published by the Federal Reserve. For example, in 2012, interest was credited for the months of July, August and September based on the May 2012 rate of 1.19%, as shown below.

Second month of prior quarter	1-year Treasury securities rate	1-year rate plus 1 percentage point	30-year Treasury bond rate	Rate applicable for interest credits
May 2012	0.19%	1.19%	2.93%	1.19%

Example: How an Account Grows After June 30, 2006

Assume that William has an account valued at \$100,000 as of June 30, 2012. The following table shows how his account grows with interest credits during the calendar quarter ending September 30, 2012.

<u>Date</u>	<u>Interest Credits¹</u>	<u>Account Balances</u>
6/30/2012		\$100,000.00
7/31/2012	\$99.00	\$100,099.00
8/31/2012	\$99.10	\$100,198.10
9/30/2012	\$99.20	\$100,297.30

¹ The May annual interest credit rate used for the third quarter of 1.19% is divided by 12 and rounded to five decimal places to determine the monthly interest credit rate of .00099 for the months of July through September of 2012.

Unconverted Annuity Benefits

You may have an unconverted annuity benefit under the Plan if prior to becoming a Transferred Employee:

- You were rehired by Verizon after the applicable cash balance conversion date for the former Bell Atlantic, NYNEX or GTE management pension plans and you had an accrued benefit under one of those plans that was not previously cashed-out (see the section “*If You Had An Accrued Benefit But Did Not Receive Payments*” for details).
- The accrued benefit you earned under an hourly pension plan maintained by a Verizon affiliate was transferred to the Verizon Plan and, consequently, to this Plan.
- The accrued benefit you earned under a traditional pension plan maintained by a portability company has been transferred to the Plan (see “*Bell System Portability*”).

Your unconverted annuity benefit will not be converted to a cash balance account and will be expressed in the form of a single life annuity payable beginning on your normal retirement date. If you have an unconverted annuity benefit, your plan benefit generally will equal the combined value of your unconverted annuity and Cash Balance formula benefits, or, if applicable, your former GTE pension plan formulas benefit, if greater. Your unconverted annuity benefit will generally be adjusted for payment prior to your normal retirement date, according to the terms of the plan in which the unconverted annuity benefit was earned.

Grandfathered Formulas for Former GTE Employees With CIC Protections

The former GTE pension plan formulas were protected through May 31, 2004 under the “Change in Control – or CIC – pension protections” for former GTE employees who had an accrued benefit under a management pension plan maintained by a former GTE company as of December 31, 2001. If you are a former GTE employee covered by CIC protections, you are eligible for a benefit

calculated under the GTE pension plan formulas through May 31, 2004 if that is greater than your benefit under the Plan's Cash Balance formula.

GTE Pension Plan Formulas

The former GTE pension plan has two formulas:

- Average Annual Compensation formula – based on average annual compensation, accrual service and a formula percentage.
- Social security integration formula – similar to above formula, but integrated with social security.

NOTE: If you are a former GTE employee covered by CIC protections, Verizon calculated your GTE pension plan benefit through May 31, 2004 using the GTE pension plan formulas -- and then provided the resulting benefit amount to FairPoint in connection with the transfer of your employment to FairPoint and the spin-off of the portion of the Verizon Plan covering Transferred Employees.

The information below regarding GTE pension plan formulas is not intended to change or modify the terms of the GTE pension plan in any way. The terms of the GTE pension plan govern benefits under that plan and, in the event of any discrepancy between the information below and the GTE pension plan, the GTE pension plan will control. In addition, because FairPoint did not perform these calculations, for information on how a specific GTE pension plan benefit as of March 31, 2004 was calculated, you should directly contact Verizon at 855-489-2367.

How the Average Annual Compensation Formula Works

The Average Annual Compensation formula under the former GTE plan provides a benefit payable in the form of a single life annuity beginning on your normal retirement date (that is, the first day of the month following the month in which you reach normal retirement age). Until May 31, 2004, here is how the Average Annual Compensation formula works:

How the Average Annual Compensation formula works:
1.35%
×
Your <u>average annual compensation</u> (defined below) through May 31, 2004
×
Your years of <u>pension accrual service</u> through May 31, 2004 (See “ <i>Details About Service</i> ” section)

Average Annual Compensation

This is the pay component of your benefit calculation under the former GTE pension formulas. “Average annual compensation” is your highest 60 consecutive calendar months of eligible pay, divided by five to arrive at the average annual amount, up to May 31, 2004. If you are a former GTE employee, all months of eligible pay through May 31, 2004 are included in determining the highest 60-month average. Eligible pay equals your pension earnings prior to 2002 under the former GTE Plan, and your eligible earnings for 2002 and later years.

Determining Average Annual Compensation Formula Benefits at Various Payment Ages

If you are vested, you can receive benefits from the plan at any time after you terminate employment with Company and all its affiliates (see “*Payment of Your Benefit*”). Regardless of when you take a distribution, the benefit payable to you under the Cash Balance formula is based on the value of your cash balance account at the time of distribution. However, since the Average Annual Compensation formula determines a single life annuity benefit payable on your normal retirement date, the benefit amount is adjusted if payment is to begin earlier or later than your normal retirement date.

This adjustment to the Average Annual Compensation formula benefit for payment before your normal retirement date generally reduces the monthly payment to take into account the longer period over which a benefit starting at an earlier date will be paid. Please note that if the benefit is adjusted, the adjustment applies for the entire period over which the benefit is paid.

- **If you start payment at your normal retirement date.** If you start payment of your pension on your normal retirement date, the single life annuity calculated for you under the Average Annual Compensation formula is not reduced.
- **If you start payment before your normal retirement date.** If you start your pension before your normal retirement date and you do not meet the Rule of 75 (or the Rule of 73 for involuntary separations), the single life annuity calculated for you under the Average Annual Compensation formula will be actuarially reduced for each month you start your benefit prior to your normal retirement date.
- **If you start payment after your normal retirement date.** If you continue to work past your normal retirement date and, as a result, your pension commences after that date, your Average Annual Compensation formula will be actuarially increased for any month your pension is suspended after your normal retirement date.
- **If you meet the Rule of 75.** You meet the Rule of 75 if your age (in completed years and months) and your years and partial years of net credited service of at least 15 years total at least 75 points when you terminate employment with the Company and all Company affiliates. If you meet the Rule of 75 and you are at least age 55 when your pension begins, the single life annuity calculated for you under the Average Annual Compensation formula is not reduced. If you meet the Rule of 75 but begin your pension before age 55, the single

life annuity benefit is reduced by 3% for each year your benefit begins before age 55 (that is .25% per month), with a maximum reduction of 18%.

- **If you meet the Rule of 73.** You meet the Rule of 73 if you are involuntarily terminated for any reason other than cause before you attain normal retirement age, and your age (in completed years and months) plus your years and partial years of net credited service of at least 15 years total at least 73 points when you terminate employment with the Company and all Company affiliates. If you meet the Rule of 73, two types of pension reductions can apply:
 - If you begin your pension benefits **before age 55 but after you “age in” to 75 points** (freezing your net credited service at termination), your single life annuity benefit is reduced 3% per year (.25% per month) for each year you are under age 55, to a maximum of 18%, as described above for the Rule of 75. To eliminate this reduction, you may wait until you reach age 55 to begin benefits.
 - If you begin pension benefits **before you “age in” to 75 points**, your pension is reduced:
 - First, by applying the reduction described in the sub-bullet above as if you had reached the age at which you would have “aged-in” to 75 points (freezing your net credited service at termination).
 - Second, by applying an actuarial reduction of .6% per month for each month you begin your benefits before reaching 75 points. The maximum reduction for this purpose is 14.4%. (To eliminate this second reduction, you can wait to “age in” to the Rule of 75 before taking the pension benefit.)

If your pension is subject to this two-step reduction, your single life annuity benefit is multiplied by 100% minus the first reduction, and that reduced single life annuity benefit is then multiplied by 100% minus the second reduction. For example, if you would “age in” to 75 points at age 54 and you start your benefit while you are still two years from reaching 75 points, your single life annuity benefit is multiplied by 97% (100% - 3%) for the first reduction, and that reduced benefit is multiplied by 85.6% for the second reduction (100% - 14.4%). Thus, your single life annuity benefit would be multiplied by 83.03%, meaning there is a 16.97% overall reduction.

- **If you are disabled.** If you are a former GTE employee with less than 10 years of net credited service on January 1, 2002 who reaches 15 years of net credited service in 2007 or later and you are considered disabled under the Plan, the single life annuity calculated for you under the Average Annual Compensation formula is not reduced. You are considered disabled under the Plan if you are eligible to receive disability benefits under the Company’s long-term disability plan, or would be eligible to receive disability benefits under such plan if you had been participating.

How the Rule of 75 and Rule of 73 Work

You meet the Rule of 75 if:

- You have at least 15 years of net credited service; and
- Your age (in completed years and months) and your years and partial years of net credited service total at least 75 points when you terminate employment with Company and all Company affiliates.

The following examples show how the Rule of 75 applies to various employees at termination:

Rule of 75 Examples			
Maria		Carl	
Maria's age:	50 years 3 months	Carl's age:	48 years 8 months
Maria's years of net credited service:	26 years 5 months	Carl's years of net credited service:	26 years 11 months
Maria's total points:	76 years 8 months	Carl's total points:	75 years 7 months
Maria meets the Rule of 75 because her total points are at least 75, and she has 15 years of service		Carl meets the Rule of 75 because his total points are at least 75, and he has 15 years of service	

John		Louise	
John's age:	55 years 7 months	Louise's age:	62 years 9 months
John's years of net credited service:	19 years 4 months	Louise's years of net credited service:	12 years 5 months
John's total points:	74 years 11 months	Louise's total points:	75 years 2 months
John does not meet the Rule of 75 because his total points are not at least 75, even though he has more than 15 years of net credited service		Louise does not meet the Rule of 75 because she does not have 15 or more years of net credited service, even though she has 75 points	

You meet the Rule of 73 if:

- Before you attain normal retirement age, you are involuntarily terminated for any reason other than cause;
- You have at least 15 years of net credited service; and
- Your age (in completed years and months) and your years and partial years of net credited service total at least 73 points when you terminate employment with the Company and all its affiliates.

The following examples show how the Rule of 73 applies at termination:

- If you are age 48 and 2 months with 25 years and 3 months of net credited service, you will meet the Rule of 73.
- If you are age 56 and 1 month with 17 years and 6 months of net credited service, you will meet the Rule of 73.
- If you are age 46 and 2 months with 25 years and 3 months of net credited service, you will not meet the Rule of 73 because your age plus service does not total at least 73.
- If you are age 59 and 9 months with 14 years and 1 month of net credited service, you will not meet the Rule of 73 because you do not have 15 years of net credited service, even though you have 73 points.

Examples of Benefit Reductions Under the Rule of 75

Assume the following employees all have earned an annual single life annuity benefit of \$8,000 under the Average Annual Compensation formula as of June 30, 2006, when they retire all have met the Rule of 75, but they retire and begin benefits at different ages. Here is how the 3% benefit reductions will affect their pension:

Name	Age	Percentage reduction	Benefit amount
Alexandra	57 and 3 months	0%	\$8,000
Brian	55 and 6 months	0%	\$8,000
Charlie	54 and 1 month	2.75%	\$7,780
Danielle	53 and 9 months	3.75%	\$7,700
Evelyn	52 and 4 months	8%	\$7,360
Fred	51 and 11 months	9.25%	\$7,260
Gerry	50 and 2 months	14.5%	\$6,840
Howard	49 and 10 months	15.5%	\$6,760
Irene	48 and 5 months	18%	\$6,560

Examples When Rule of 75 and Rule of 73 Not Met

The chart below provides more information about how the single life annuity calculated under the Average Annual Compensation formula is reduced if an employee leaves employment with a vested benefit, does not meet the Rule of 75 (or the Rule of 73 for involuntary separations) and starts benefits before the employee’s normal retirement date. Assume the annual Average Annual Compensation single life annuity benefit for each person would be \$8,000 at the normal retirement date.

Name	Age when benefit begins	Percentage reduction	Benefit amount
Alexandra	60	33.3%	\$5,336
Brian	55	58.3%	\$3,336
Gerry	50	73.7%	\$2,104
Mary	45	82.0%	\$1,440
Steven	40	87.3%	\$1,016
Vicky	35	91.0%	\$ 720

How the Social Security Integration Formula Works

If you are a former GTE employee who had an accrued benefit under a management pension plan maintained by a former GTE company as of December 31, 2001, you also accrued benefits under the alternative social security integration formula until May 31, 2004. This formula calculates a single life annuity payable on your normal retirement date as follows:

Social Security Integration Formula
1.15% × your Average Annual Compensation through May 31, 2004 up to the social security integration level
+
1.45% × your Average Annual Compensation through May 31, 2004 over the social security integration level
×
Your years of pension accrual service through May 31, 2004

Social Security Integration Level

This is the 35-year average of annual social security taxable wage bases for a worker reaching age 65 in 2004, rounded to the next lower multiple of \$100. The wage bases are the highest amounts the government uses each year to determine social security taxes.

The social security integration level generally changes each year as the social security wage base increases. Increases in the social security integration level after May 31, 2004 will not affect your pension benefit calculated under this formula, whether or not payments have started.

Determining Social Security Integration Formula Benefits at Earlier Payment Ages

The social security integration formula, like the Average Annual Compensation formula, provides a single life annuity benefit payable beginning on your normal retirement date. The single life annuity benefit under the social security integration formula is adjusted for payment before your normal retirement date in the same manner as the Average Annual Compensation formula benefit is adjusted for early payment.

Reductions for Benefits Under Other Pension Plans

Your Plan benefit may be reduced to take into account benefits credited to you under other pension plans in certain situations. For example, your pension benefit under the Plan will generally be reduced by pension benefits that you have earned from any of the following:

- Under a pension plan of another Verizon affiliate for a period of service for which you also earned benefits under the Verizon Plan.
- Under the Verizon Plan, if those benefits were transferred to a pension plan maintained by another company as the result of a corporate divestiture prior to your being rehired by the company.
- Under the plan of a portability company, if you received a lump-sum payment of those benefits and your prior service is recognized under the portability rules.

Effect of In-Service Payment (Former GTE Employees Only)

If you are a former GTE employee who has received an in-service payment of your pension from the Verizon Plan or a former GTE management pension plan under the early payment program, your benefit at your later termination of employment under the Cash Balance benefit formula or the former GTE pension plan formulas will be calculated based only on the benefits you earned (prior to the date pension accruals were frozen under the Plan) for your service as an eligible employee after December 31 with respect to which your early payment is determined.

Which Formula Will Be Best For You?

Under the Cash Balance formula, you received pay credits up to June 30, 2006 and you will continue to receive interest credits until you receive a distribution.

The former GTE Average Annual Compensation formula continued to grow up to May 31, 2004.

Benefits under the former GTE social security integration formula also continued to grow up to May 31, 2004, and then were frozen.

When you leave the Company, you will receive the benefit payable under the formula that provides the highest benefit to you.

Federal Limits on Benefit Amounts

The Section 415 limits of the Internal Revenue Code govern the maximum amount that can be paid to a participant from qualified pension plans. If you are affected by these limits, you will be notified.

PAYMENT OF YOUR BENEFIT

When you leave employment with the Company and all Company affiliates, you are eligible to receive the vested pension you earned under the Plan.

Normal Retirement Date

Your normal retirement date is the last day of the month during which you reach normal retirement age. Normal retirement age is 65.

Full Vesting for Transferred Employees

Generally, participants vest in their Plan benefit after they complete five years of vesting service or if they are employed by the Company or a Company affiliate when they reach normal retirement age.

Verizon Plan participants who were not already vested in their pension benefit as of June 30, 2006, became 100% vested as of June 30, 2006 if they were actively participating in the Verizon Plan as of that date. Accordingly, if you are a Transferred Employee whose accrued benefit was transferred from the Verizon Plan to this Plan, you are fully vested in your Plan benefit.

Once vested, you have a right to a pension based on the Cash Balance formula (or, if applicable, based on the former GTE pension plan formula that provides the highest value to you). If you are eligible for a benefit under the Average Annual Compensation formula or any other annuity formula, and you die after becoming vested and before your pension commencement date, the benefit paid to your beneficiary under the annuity formula may be less than the benefit you could have received during your life. See *“If You Die Before Your Pension Commencement Date”* section for more information.

When Pension Payments Can Start

If you are vested and you leave employment with the Company and all Company affiliates before your normal retirement date, subject to the exceptions described below, you may:

- elect to start your pension on the first day of the month immediately after you leave employment;
- defer payment until your normal retirement date; or
- take payment on the first day of any month in between.

If you continue to work for the Company and all Company affiliates after your normal retirement date, payment of your vested pension will begin on the earliest of the following three dates:

- (1) the January 1 following the date you reach age 70½;
- (2) the first of the month following the date you leave; or

- (3) the first of the month following any calendar month beginning after your normal retirement date during which you are credited with less than 40 hours of service.
- **If the present value of your vested pension is greater than \$1,000**, when you leave employment with the Company and all Company affiliates, you will need to choose whether to:
 - Receive your pension immediately as a lump sum.
 - Begin receiving your pension immediately as a monthly annuity (any one of several types of annuities may be elected) or a combination annuity and lump-sum payment.
 - Defer payment of your pension to a later date, up to the first day of the month next following your normal retirement date (if you leave before your normal retirement date).

If you choose to defer payment, your benefit under the Cash Balance formula will continue to receive interest credits until you receive payment. The value of the single life annuity payable at your normal retirement date under the Average Annual Compensation formula (or any other annuity formula) will not change. (As previously described, if you are a Former GTE employee, your single life annuity payable at normal retirement age under the former GTE pension formulas is calculated as of May 31, 2004, and will not increase after that date.)

If you begin payment before your normal retirement date, your payout under the Average Annual Compensation formula (or any other annuity formula) may vary depending on your age and service at termination, the date you begin benefits and the form of payment you select. Fluctuating interest rates also will change the amount of the annuity payable under the Cash Balance formula and the lump-sum value of your benefit under the Average Annual Compensation formula (or any other annuity formula).

- **If the present value of your vested pension is \$1,000 or less**, when you leave employment with the Company and all Company affiliates, you will receive an immediate cashout of your benefit as soon as possible after you leave. You may not elect a later pension commencement date. Your pension will be automatically distributed to you in the form of a lump-sum cash payment unless you complete the necessary paperwork for a direct rollover to another qualified plan or an IRA.

In-Service Payment Option (Former GTE Employees Only)

If you are a former GTE employee who was eligible for a one-time in-service payment under the early payment program of a former GTE pension plan, you may take an in-service payment under the Plan if you have not previously done so. Please refer to the materials you were provided when the early payment program was originally introduced or contact the Consolidated Communications Pension Service Center for more information.

Requesting Your Pension Payment

When you are ready to receive your pension, call 1-855-409-9592 or access the website at www.eepoint.com/CCI to request a retirement kit. You may request that your retirement kit be sent to you up to 90 days before your desired pension commencement date. However, you may not request a pension commencement date that is a date in the past. NOTE: An exception applies if you were pension service vested when your employment ended and did not request your pension benefits at your normal retirement date. In such case, your benefit commencement date can be retroactive to your normal retirement date.

The retirement kit describes your available payment options. After reviewing the information, you must elect a payment option and complete the enclosed forms. Contact the Consolidated Communications Pension Service Center at 1-855-409-9592 if you have any questions.

The forms must be properly completed, signed and returned to:

Consolidated Communications Pension Service Center
Dept. CCI
P.O. Box 981908
El Paso, TX 79998
Fax: 844-944-9089

no more than 90 days from the date you first requested your retirement kit. If you do not return the forms within this 90 day period, then you must restart the pension payment process, i.e., request another pension distribution package and select a new future pension commencement date. Your pension payment election forms are not valid until you (and your spouse if applicable) properly complete and sign the forms and return them in a timely manner to the Consolidated Communications Pension Service Center at the address or fax number indicated above.

If you elect to receive payment as a lump sum and your cash balance amount is your highest lump sum, interest on your cash balance lump-sum amount will be calculated through the end of the month prior to the actual payment date. If the Average Annual Compensation formula (or any other annuity formula) yields your highest lump sum, your lump sum will be calculated as of your pension commencement date, and if the actual payment is made after your pension commencement date, you will receive interest from your pension commencement date. If you elect to receive an annuity, your payment will be retroactive to your pension commencement date.

If your retirement kit was sent to you before your pension commencement date, you generally may revoke your payment election by filing a written revocation with the Consolidated Communications Pension Service Center (at address or fax number indicated above) any time prior to your pension commencement date. Your payment election is irrevocable on and after your pension commencement date. If your retirement kit is sent to you on or after your pension commencement date, generally you may revoke your payment election by filing a written revocation with the Consolidated Communications Pension Service Center at any time before the date of your first pension payment.

Forms of Payment

The following forms of payment are available under all formulas provided through the Plan:

STANDARD FORMS OF PAYMENT

Forms of Payment	Frequency of payment	Recipient	Payment amount details
<u>If you are single</u> Single life annuity	Monthly	You	Payable for your lifetime only
<u>If you are married</u> Joint and 50% surviving spouse annuity	Monthly	You and your surviving spouse	Payable for your lifetime and to your surviving spouse after your death; your spouse (if surviving) receives 50% of the monthly amount you were receiving

OPTIONAL FORMS OF PAYMENT

Forms of Payment	Frequency of payment	Recipient	Payment amount details
<u>Lump-sum payment</u>	Once	You	Payment of your entire pension in a single sum
<u>Single life annuity</u>	Monthly	You	Payable for your lifetime only
<u>Joint and 33-1/3%, 50%, 66-2/3% or 100% surviving beneficiary annuity</u>	Monthly	You and your designated beneficiary	Payable for your lifetime and after your death, your beneficiary (if surviving) receives the percentage you elected of the monthly amount you were receiving
<u>Pop-up joint and 50%, 75% or 100% survivor annuity</u>	Monthly	You and your designated beneficiary	Payable for your lifetime and after your death, your beneficiary (if surviving) receives the percentage you elected of the monthly amount you were receiving. If you outlive your beneficiary, your benefit increases to the monthly amount provided under the single life annuity option
<u>5- or 10-year period certain and life annuities</u>	Monthly	You and your designated beneficiary	Payable for your lifetime and after your death if you die before receiving 5 or 10 years of payments, depending on which you elect, your beneficiary will receive any remaining payments for the 5- or 10-year period

Forms of Payment	Frequency of payment	Recipient	Payment amount details
<u>Combination annuity and lump-sum payment</u>	Once for the lump-sum portion; monthly for the annuity portion	You and your designated beneficiary, if any	Payable in a combination of any annuity option plus a lump-sum payment, with the lump-sum amount to be specified in increments of 10% but limited to 50% of the total value

If you are married when you start your pension benefit payment, you will need your spouse's written, notarized consent to elect any form of payment other than the standard form (joint and 50% surviving spouse annuity) or a joint and 66-2/3% or 100% surviving spouse annuity.

Standard Forms of Payment

Federal law requires the Plan to pay your pension benefit in the standard form of payment, unless you choose an optional form of payment. The standard forms are as follows:

- If you are not married, a single life annuity. With a single life annuity, you receive monthly payments for your lifetime only. When you die, payments end.
- If you are married, a joint and 50% surviving spouse annuity. With a joint and 50% surviving spouse annuity, you receive reduced monthly payments for your lifetime. If your spouse outlives you, he or she will receive monthly benefit payments, beginning with your death, for the rest of his or her lifetime equal to 50% of the amount you were receiving.

Optional Forms of Payment

The Plan also offers several optional forms of payment. The different payment options provide equivalent pension benefit value. However, lump-sum amounts will vary based on fluctuations in interest rates and your age at payment. Annuity amounts will vary based on the option you select, interest rates and your age and your spouse's or designated beneficiary's age. If you are married, your spouse must give written, notarized consent to any optional form of payment other than a joint and 66-2/3% or 100% surviving spouse annuity.

Alternatively, you may request distribution of your pension benefits in more than one form – a lump sum and one of the annuity alternatives. See the discussion below for more information on each of the alternative forms of distribution.

Lump-Sum Payment

With a lump-sum payment, you receive payment of your entire accrued benefit in a single payment. The amount payable to you in a lump-sum payment will equal the greatest of:

- The amount of your cash balance account as of your pension commencement date, plus any unconverted annuity benefit converted to a lump sum using the Plan's actuarial factors.
- If applicable, your former GTE pension plan formulas benefit for service up to May 31, 2004, converted to a lump sum using the Plan's actuarial factors.

See section below entitled “*Calculating A Lump-Sum Benefit From the Average Annual Compensation Formula (Or Other Annuity Formula)*” for more information on the Plan’s actuarial factors for converting single life annuity benefits to lump sums.

NOTE: Lump-sum payments and certain non-standard annuity payments are available subject to the Plan meeting certain Internal Revenue Code funding requirements. You will be notified in the event the Plan’s funding affects the availability of lump-sum or any other payments.

Annuity Forms of Payments

With an annuity payment, you receive monthly payments for your life and, depending on the form of payment you elect, your beneficiary may receive payments for a period of time after you die.

The amount payable to you in an annuity form of payment will be based on the largest single life annuity payable to you under any applicable Plan formula as of your pension commencement date. (See the relevant section of this SPD for a description of the benefits payable in the form of a single life annuity from your unconverted annuity benefit or under the Average Annual Compensation formula or the social security integration formula. See “*How Your Cash Balance Account Is Converted to an Annuity*” for details regarding the conversion of your cash balance account to a single life annuity benefit.)

Joint and 33-1/3%, 50%, 66-2/3% or 100% Surviving Beneficiary Annuity

With a joint and surviving beneficiary annuity, you receive monthly payments for your lifetime that are less than the single life annuity payments you are otherwise entitled to receive. The amount of the reduction depends on whether you elect a 33-1/3%, 50%, 66-2/3% or 100% annuity for your beneficiary and the ages of you and your beneficiary. The higher the percentage you select, the more your annuity will be reduced – in order to provide a larger benefit for your beneficiary after your death. You choose an individual beneficiary to receive benefits after your death.

If your beneficiary is living when you die, he or she will receive monthly benefit payments for the rest of his or her lifetime equal to the percentage you elected based on the amount you were receiving. If your beneficiary dies before you, benefits end at your death.

Limits on Survivor Annuities

If you designate a beneficiary other than your spouse and:

- You are more than 24 years older than your beneficiary, you may not elect a joint and 66-2/3% or joint and 100% survivor annuity, or
- You are more than 10 years older than your beneficiary, you may not elect a joint and 100% survivor annuity.

Pop-Up Joint and 50%, 75% or 100% Survivor Annuity

With a pop-up joint and survivor annuity, you receive monthly payments for your lifetime that are less than the single life annuity payments you are otherwise entitled to receive. The amount of the reduction depends on whether you elect a 50%, 75% or 100% annuity for your

beneficiary and the ages of you and your beneficiary. The higher the percentage you select, the more your annuity will be reduced – in order to provide a larger benefit for your beneficiary after your death.

You may choose your spouse or another beneficiary. If your beneficiary outlives you, he or she will receive monthly benefit payments for the rest of his or her lifetime equal to 50%, 75% or 100% of the amount you were receiving.

If your beneficiary dies before you, your monthly payments will be restored (pop up) to the higher level of a single life annuity. Because this benefit is more valuable than the joint and 50% or 100% survivor annuities without the pop-up feature, your monthly annuity is lower up to your beneficiary’s death. The increase to a single life annuity amount will generally be effective in the month following your beneficiary’s death. However, if you notify the Consolidated Communications Pension Service Center of your beneficiary’s death more than one year after death occurs, the increase will apply only to months after your notification is received.

Limits on Pop-Up Annuities

If you designate a beneficiary other than your spouse and:

- You are more than 19 years older than your beneficiary, you may not elect a pop-up joint and 75% or joint and 100% survivor annuity, or
- You are more than 10 years older than your beneficiary, you may not elect a pop-up joint and 100% survivor annuity.

Period Certain and Life Annuities

Five- or 10-year period certain and life annuities pay you a fixed monthly pension for your lifetime, and guarantee that if you die before you receive 5 or 10 years of payments (depending on which you elect), any remaining payments for the 5- or 10-year period will be made to your beneficiary.

The annuity amount is reduced because of the 5- or 10-year guarantee. This reduction stays in effect for as long as the annuity is paid – either to you or to your beneficiary.

Combination Annuity and Lump-Sum Payment

This option gives you the benefit of both types of payments. You take a portion of your accrued benefit as a lump-sum payment and receive the remainder in any of the standard or optional annuity payment forms. You may choose any of the distribution combinations of lump sum and annuity shown in the chart below:

Percentage of account paid as:	
Lump-sum payment	Monthly annuity
10%	90%

20%	80%
30%	70%
40%	60%
50%	50%

Both the lump-sum portion and the annuity portion of the accrued benefit must have the same pension commencement date. See “*Lump-Sum Payment*” for more on receiving a lump-sum payment. Be sure to read “*How Taxes Affect Your Pension*” and talk to your tax advisor to find out the implications of lump-sum payments.

Other forms of payment may be available for any portion of your benefit that may have been transferred to the Plan (or its predecessor, the Verizon Plan) from another pension plan (for example, the plan of an acquired company or a portability company). Call 1-855-409-9592 for more information if you believe you were in one of these plans.

Estimating the Amount of Your Annuity

For the Cash Balance formula, your online statement shows your benefit as a lump sum as it grows over the years. You can also use the www.eepoint.com/CCI website to find out what that converts to as a monthly annuity payment, or you may call 1-855-409-9592 to request a projection of your account.

The annuity amount payable based on your cash balance account can vary up or down based on your age and the interest rates in effect when you start to receive payments. Once you begin receiving your annuity, subsequent changes to the quarterly interest rate do not affect the amount of your monthly payment.

If applicable, your pension benefit under the former GTE pension plan formulas is shown as a single life annuity, but you can also model other forms of payment online.

How Your Cash Balance Account Is Converted To an Annuity

Your cash balance account is first converted to a single life annuity based on your age as of your pension commencement date, your assumed life expectancy (based on mortality tables published annually by the IRS), and interest rates published monthly by the IRS. There are three IRS interest rates (called “segment rates”) used to calculate your annuity. They are applied to expected benefit payments that occur in the short term (1-5 years), the intermediate term (6-20 years) and the long term (more than 20 years). The interest rates used by the Plan are the rates published by the IRS for the second month before the calendar quarter in which your pension commencement date occurs (or, if your pension commencement date is the first day of a calendar quarter, the rate for the preceding quarter is used). For example, the monthly payments commencing in the third quarter of 2020 would be based on the interest rates published for the month of May 2020.

The amount of a single life annuity will vary based on your age. The younger you are, the smaller your monthly payment will be because the value of your cash balance account is spread out over

your longer life expectancy. The amount will also vary based on the interest rate in effect when you choose to begin your payments. Higher interest rates mean a larger monthly payment for you. Lower interest rates mean a relatively smaller monthly payment.

Example: Single Life Annuity

Bill and Maria each have a Cash Balance formula benefit of \$200,000, and both plan to retire. Bill is age 58, and Maria is age 52. The following chart shows how their monthly single life annuity amounts vary based on age and the interest rate.

Participant	Age	Monthly payment if interest rate is:		
		May 2020 Rates	Minus 1%	Plus 1%
Bill	58	\$915.89	\$810.29	\$1,026.28
Maria	52	\$821.10	\$714.37	\$933.33

The first column above shows the monthly amounts payable if the participant starts receiving monthly benefit payments during the third quarter of 2020. The second and third columns above show the monthly benefit amounts payable to the same participant assuming the applicable interest rates are one percentage point smaller or one percentage point larger than the rates applicable for the monthly benefit payments starting in the third quarter of 2020.

The rates can be found at the following link -- <https://www.irs.gov/retirement-plans/recent-interest-rate-notice>. The May 2020 rates were published in Notice 2020-45 (which you will see if you click on the above link), in the section titled “Minimum Present Value Segment Rates”, which shows the May 2020 rates used in the first column above were 1.08%, 2.78%, and 3.47%. This also means the rates used in the second column above were 0.08%, 1.78%, and 2.47%, and the rates used in the third column above were 2.08%, 3.78%, and 4.47%. Based on the above examples, you will note the following generalizations – if rates go up by about one percentage point, the monthly amounts payable from the Plan tend to go up by 11% to 15%, depending on the age at the date monthly payments are to commence, and if rates go down by about one percentage point, the monthly amounts payable from the Plan tend to go down by 10% to 14%.

Example: Joint and 50% Surviving Spouse Annuity

Albert and Edith are both age 60, and both have account balances that provide a \$2,500 monthly single life annuity. However, their spouses are not the same age. The following chart shows the values of the joint and 50% surviving spouse annuity, based on the different ages of their spouses. These conversion factors are based on the Plan’s actuarial tables and do not change with the quarterly interest rate changes. The same conversion factor tables are used for all beneficiaries.

	Ages		Conversion factor	Monthly amount payable to:	
					Spouse (after
			Joint and 50% surviving		

Participant	Participant	Spouse	Single life annuity	spouse annuity	Participant	participant's death)
Edith	60	65	\$2,500.00	.9620	\$2,405.00	\$1,202.50
Albert	60	49	\$2,500.00	.9280	\$2,320.00	\$1,160.00

Calculating a Lump-Sum Benefit from the Average Annual Compensation Formula (or Other Annuity Formula)

- If you are eligible for a benefit under the Average Annual Compensation formula, your benefit is calculated as a single life annuity. The lump-sum value is calculated by multiplying the single life annuity benefit payable beginning on your pension commencement date by an actuarial factor. Lump-sum actuarial factors are determined based on a combination of IRS interest rates and mortality assumptions. The Average Annual Pay formula lump sum value is calculated using whichever of the following factors results in the largest lump sum:
 - The IRS interest rates and Plan's mortality table. If the pension commencement date is on or after June 16, 2014, the IRS interest rates (as defined in Section 417(e)(3) of the Code) for the third month prior to the pension commencement date, and the Plan. This IRS interest rates change monthly.
 - If the pension commencement date is prior to June 16, 2014, 120% of the interest rate used by the Pension Benefit Guaranty Corporation ("PBGC Interest Rate"), when the resulting lump sum is over \$25,000, or 100% of the PBGC Interest Rate if the lump sum is \$25,000 or less, and using the Plan's mortality table. The PBGC Interest Rate is determined 90 days prior to the pension commencement date. These PBGC rates change monthly.
 - 10-year Treasury bond rate. The 10-year Treasury bond rate is determined by using a six-month average as reported for the six-month averaging period beginning 12 months before the pension commencement date. The factors for the 10-year Treasury bond rate also use the Plan's mortality table. The 10-year Treasury bond rate changes monthly.
 - The IRS interest rates and 417(e) mortality table. These are the "applicable interest rate" and "applicable mortality table" (in each case as defined in Section 417(e)(3) of the Code), determined five months prior to the pension commencement date. The IRS interest rates change monthly.
 - The IRS interest rates and 417(e) mortality table, determined two months before the calendar quarter in which the pension commencement date occurs. (However, if the pension commencement date is the first day of a calendar quarter, the interest rate that would apply for the prior quarter is used.) The IRS interest rates change quarterly.
 - Grandfathered Factors. Whichever of the following results in the larger lump sum:
 - 30-year Treasury bond rate and GATT mortality table ("applicable interest rate" and "applicable mortality table," respectively, under Section 417(e)(3) of the Code as in

effect on December 31, 2007), for the fifth month prior to the pension commencement date. This interest rate changes monthly.

- 30-year Treasury bond rate and GATT mortality table (“applicable interest rate” and “applicable mortality table,” respectively, under Section 417(e)(3) of the Code as in effect on December 31, 2007), determined two months before the calendar quarter in which the pension commencement date occurs (or, if the pension commencement date is the first day of a calendar quarter, the interest rate that would apply for the prior quarter is used). This interest rate changes quarterly.

If applicable, your single life annuity benefit under the social security integration formula or your unconverted annuity benefit transferred from another pension plan are also converted to a lump sum using the factors indicated above.

Remember that lump sum payments are available subject to the Plan satisfying certain Internal Revenue Code funding requirements. You will be notified if the Plan’s funding were to affect the availability of lump sum payments.

Converting a Single Life Annuity to Another Form of Annuity Payment

To convert a single life annuity to another annuity form (such as the joint and 50% surviving spouse annuity), the single life annuity amount is multiplied by a conversion factor based on your age and the age of your spouse or beneficiary at the end of the calendar year in which your payments begin. This adjustment will reduce your monthly payment because the value of your benefit is spread out over the life expectancies of both you and your spouse or beneficiary.

Conversion factors are based on the Plan’s actuarial tables and do not change. The same conversion factor tables are used for all beneficiaries.

How Taxes Affect Your Pension

In general, your pension payments are fully taxable in the tax year you receive them. If you are receiving monthly pension payments, you can choose whether or not to have taxes withheld from your payments.

Special tax rules apply to lump-sum distributions. For example, 20% of your payment automatically will be withheld for federal taxes unless you request a direct rollover of your distribution to a traditional IRA or another qualified plan that accepts rollovers. You may also owe a 10% additional tax if you terminate employment before the year you turn age 55 and receive a lump sum. Before your lump sum is processed, you will have the opportunity to elect a direct rollover.

If you have any questions regarding taxes on your pension benefits, consult a tax advisor. You may also request a copy of the “*Special Tax Notice Regarding Plan Payments*” by calling the Consolidated Communications Pension Service Center.

IF YOU DIE BEFORE YOUR PENSION COMMENCEMENT DATE

If you die after you are vested but before your pension commencement date, your beneficiary will receive a death benefit. The amount of the death benefit will be based on the greater of the following:

- The combined value of *your* cash balance account and any unconverted annuity benefit transferred from another plan.
- If you are a former GTE employee covered by CIC protections, the value of the 50% survivor benefit determined *based* on the Average Annual Compensation formula benefit (calculated and frozen as of May 31, 2004) as if you had terminated employment on the date of your death (or actual termination, if earlier), survived and elected payment in the form of a qualified joint and 50% surviving spouse annuity beginning on the beneficiary's pension commencement date and died on the same day. If you die while employed by the Company or a Company affiliate, no early commencement reduction will be applied for payment of the benefit to a spouse or beneficiary prior to your normal retirement date. However, your normal retirement benefit will be adjusted to reflect that survivor benefits will be paid after your death, and your spouse or beneficiary will receive 50% of that adjusted amount.

NOTE: If you are eligible for a greater benefit under the social security integration formula, the 50% survivor benefit will be based on the benefit frozen as of May 31, 2004 from that formula instead of the Average Annual Compensation formula benefit.

Factors for converting the cash balance account to an annuity and for converting single life annuities to lump sums are the same as those applied to determine benefits payable to participants.

If your beneficiary is an individual, the beneficiary's actual age will be used to determine the amount of the death benefit. If there is more than one beneficiary, the age of the oldest beneficiary will be used. If the beneficiary is not an individual, the beneficiary will be assumed to be the same age as the participant.

Form and Timing of Payment for Preretirement Death Benefit

If your death benefit has a lump-sum value of \$1,000 or less, it will be paid as an immediate lump sum to your beneficiary unless your beneficiary completes the necessary paperwork for a direct rollover to an eligible employer plan or IRA.

If your death benefit has a lump-sum value of more than \$1,000, it will be paid as follows:

- *If your beneficiary is your spouse*, he or she may elect to receive payment immediately after your death or defer payment until a later date. Payment may not be deferred, however, later than your normal retirement date. Your spouse can receive this benefit as a lump sum, rollover, or a single life annuity.

- *If you elect a non-spouse beneficiary*, he or she will receive an immediate benefit as a lump sum or a single life annuity unless your non-spouse beneficiary completes the necessary paperwork for a direct rollover to an inherited individual retirement account (IRA). If a non-spouse beneficiary does not directly roll over the payment to an inherited IRA, the distribution is not eligible for rollover. An inherited IRA is a special type of retirement arrangement. See an IRA provider or financial institution for more information.

This rule also impacts the withholding that applies to your non-spouse beneficiary's payment. If your non-spouse beneficiary chooses to roll over the payment, no withholding will be applied. If your non-spouse beneficiary chooses a lump-sum payout, 10% of the taxable amount will be withheld for federal taxes (unless otherwise elected). State taxes also will be withheld, if applicable.

A non-spouse beneficiary may not defer payment. If the non-spouse beneficiary makes no election, payment will be made in a lump sum.

- *If you elect multiple beneficiaries – or your beneficiary is your estate or trust* – the benefit will be paid as an immediate lump-sum payment. If you elect multiple beneficiaries, the benefit will be divided in equal portions among your beneficiaries.

Payment of the death benefit will begin as soon as administratively possible after all necessary forms have been received. Your spouse or beneficiary should call the Consolidated Communications Pension Service Center at 1-855-409-9592 to request the forms.

Naming a Beneficiary for Your Preretirement Death Benefit

Your beneficiary receives a death benefit from the Plan if you die before your pension commencement date. You may name multiple beneficiaries under the Plan. However, there are rules about naming a beneficiary:

- **If you are not married**, you may name anyone as your beneficiary. However, if you name a minor as your beneficiary, a guardian or an administrator must be appointed for the child before payment is made. If you do not name a beneficiary, or if your beneficiary is not living at the time of your death, any death benefit will be paid to your estate. If you get married, your spouse automatically replaces any previously named beneficiary.
- **If you are married**, your spouse must be your beneficiary for any death benefit, unless:
 - Your spouse gives written, notarized irrevocable consent to another beneficiary on a beneficiary designation form (see *Changing Your Beneficiary* for information on how to get a beneficiary designation form).
 - Your spouse cannot be located to give consent and the Plan administrator approves waiving spousal consent.
 - An alternate payee is named as the spouse under a qualified domestic relations order (QDRO).

- You have a court order showing that you have been abandoned or legally separated.

If you name a beneficiary other than your spouse (with spousal consent) before you reach age 35, your election will become invalid on January 1 of the year you reach age 35. Unless you complete a new beneficiary designation form (with spousal consent) at that time, your spouse will become your beneficiary. Any designation of your spouse as a beneficiary made before your pension commencement date will automatically become invalid upon your divorce (except as provided in a QDRO).

Changing Your Beneficiary

You may change your beneficiary at any time. However, if you are married and change to a beneficiary other than your spouse, your spouse must give consent (see “*Naming a Beneficiary for Your Preretirement Death Benefit*” above). You may call the Consolidated Communications Pension Service Center at 1-855-409-9592 to request a beneficiary form.

If You Were Rehired On or After July 1, 2006

If you terminated employment with Verizon before 2002, you were rehired after July 1, 2006, and you had earned a vested pension under a Bell Atlantic, NYNEX or GTE management pension plan that was not previously paid to you, any preretirement death benefit that is payable upon your death before your pension commencement date is generally determined by the terms of the plan in which your benefit was accrued. Please call 1-855-409-9592 for more information.

IF YOU BECOME DISABLED

If you suffer a long-term disability, you may continue to earn service for certain purposes or receive an unreduced pension:

- **Continued vesting service and net credited service.** If you have enrolled in and met the disability requirements of the Company's long-term disability plan (the "LTD Plan"), you will continue to earn vesting service and net credited service (but not pension accrual service) during the period you are receiving benefits from the LTD Plan and before you start your pension.
- **Unreduced disability pension.** If you are a former GTE employee who reaches 15 years of net credited service and you are considered disabled under the Plan (as defined below), the single life annuity benefit calculated for you under the former GTE formulas through May 31, 2004 is not reduced for payment before your normal retirement date. You are considered disabled under the Plan if you are eligible to receive disability benefits under the LTD Plan, or would be eligible to receive disability benefits under the LTD Plan if you had been participating. If you elect to begin your pension, you will not be credited with any additional service (of any type) once your pension payments have started.

You continue to earn net credited service toward eligibility for a disability pension while you are working for the Company or a Company affiliate even though you will not be credited with any additional pay credits on and after July 1, 2006 or any pension accrual service or earnings for the former GTE pension plan formulas after June 1, 2004. If you qualify for a disability pension, your disability pension will be calculated based on the greater of the former GTE pension plan formula benefit you earned through May 31, 2004 or the cash balance formula benefit you earned through June 30, 2006.

IF YOU SEPARATE FROM SERVICE AND ARE LATER REHIRED

This section describes the benefits provided by the Plan to participants who separate from service and are later rehired by the Company or a Company affiliate.

- **Vesting and net credited service.** Your prior service (including service earned with FairPoint and service under Verizon Plan) will be recognized as vesting and net credited service when you are rehired, as follows:
 - If your break in service was 12 months or less, all your prior vesting service and net credited service will be restored immediately, and you will be credited with vesting service and net credited service for the period of the absence.
 - If your break in service was greater than 12 months, all your prior vesting and net credited service will be restored, but you will not be credited with service for the period of the absence.
- **Pension accrual service.** As described earlier in the SPD, pension accrual service under the GTE pension plan formulas ceased on and after June 1, 2004. Accordingly, participants who separate from service and are later rehired will not earn pension accrual service after rehire, and any benefits previously earned under the Plan (or a prior management pension plan) will be available as described below.

If You Had an Accrued Benefit But Did Not Receive Payments

The following explains what happens to your accrued pension benefit under the Plan (if any) during a period of separation from service if your benefit was not paid to you and you are later rehired:

- Interest credits continued on your existing cash balance account, if any, after your separation from service. However, as described earlier in this SPD, you do not receive any pay credits for any period after June 30, 2006.
- If you are a former GTE salaried employee, your benefit under the former GTE management pension plan will remain the same as it was on the day you left. However, your pension will be available for payment at the time and in the forms described in this SPD and will be adjusted for commencement before your normal retirement date, based on your age and service at your second termination date. See *“Determining Average Annual Compensation formula Benefits at Various Payment Dates.”*
- If you are a former Bell Atlantic salaried employee, your pension will equal the pension you had earned under the former Bell Atlantic or NYNEX management pension or cash balance plan as of your prior termination of employment, provided that you were vested when you left or, if you were not vested, that your break in service did not exceed five years. However, your pension will be available for payment at the time and in the forms described in this SPD. In addition, your traditional formula benefit, if any, will be adjusted

for commencement before your normal retirement date, based on your age and service at your second terminate date, as described in the plan under which the benefit was earned.

If You Return to Work After Receiving Payments

If you are rehired as an employee of the Company or an affiliate and you have previously received a pension payment or payments from the Plan, any monthly pension payments will continue to be paid in the form and manner in effect before you are rehired.

- On your second termination date, your benefits will be calculated as follows:

— **If you previously received your entire benefit as a lump-sum payment:**

- And you are rehired as a non-union employee, you will receive no additional benefits from the Plan except to the extent that your additional net credited service and age as of your second termination date results in the adjustment or elimination of any early retirement reduction that was applied to your earlier payment.

If you earn additional net credited service after you are rehired that, as of your second termination date, permits you to qualify for more favorable early retirement adjustments under an annuity formula that was calculated at your first termination, you will be eligible to receive a benefit based on the amount, if any, by which the adjusted annuity formula benefit recalculated at your second commencement date exceeds the amount of the benefit on which your prior lump sum was based.

— **If you were previously receiving your entire benefit as an annuity:**

And you are rehired as a non-union employee, you will earn no additional pension credits under the Plan. However, you may earn additional net credited service after you are rehired that, as of your second termination date, permits you to qualify for more favorable early retirement adjustments under the former GTE pension plan formulas, or other annuity formula, calculated on your first termination, you will be eligible to receive an additional benefit based on the amount, if any, by which the adjusted annuity based formula benefit payable at your second commencement date exceeds the amount of the benefit on which your current annuity was based.

IF YOU TRANSFER FROM ELIGIBLE EMPLOYMENT

If You Transfer to a Position Covered by a Collective Bargaining Agreement

If you are a Plan participant and you transfer to a position that is covered by a collective bargaining agreement for which you are eligible to participate in another pension plan:

- Unless that plan accepts transfers of Plan benefits for your situation, your Plan benefit will remain in this Plan and will be paid from the Plan when you leave the Company and all Company affiliates. Call 1-855-409-9592 for more information.
- Your cash balance account will continue to be increased with interest credits until your Plan benefit is paid to you. However, as when you had a salaried position, you will receive no pay credits.
- You will earn pension benefits for your employment in the amount provided in the other plan, if any.

If You Transfer to a Position Not Covered by a Collective Bargaining Agreement With No Pension Plan

If you are a Plan participant and you transfer to a position not covered by a collective bargaining agreement for which a Company affiliate does not maintain a pension plan:

- Your Plan benefit will remain in the Plan and will be paid from the Plan when you leave the Company and all Company affiliates.
- Your cash balance account will continue to be increased with interest credits until your Plan benefit is paid to you.
- Your vesting service and net credited service will continue to accrue after your transfer.

BELL SYSTEM PORTABILITY

Following the reorganization of AT&T and its subsidiaries on January 1, 1984, the former Bell Atlantic and former NYNEX made an agreement with certain companies. This agreement, termed the Mandatory Portability Agreement (MPA), provides for mutual recognition of service and the interchange of certain pension benefit obligations for a covered employee hired by a portability company after January 1, 1985.

If you are covered by the MPA, you may be eligible to carry over net credited service, vesting service and pension accrual service from a FairPoint portability company to a non-FairPoint portability company and vice versa, regardless of the length of your break in service.

NOTE: The MPA and Bell System portability rules only apply to employment in a FairPoint business that is a successor to an AT&T/Bell System company. Generally, only the FairPoint Northern New England business acquired from Verizon in March 2008 is covered by the MPA and Bell System portability.

Eligibility

As a management employee covered by the Plan, you must meet all of the following three conditions to be eligible for portability of your service to or from another portability company's pension plan:

1. On December 31, 1983, you must have been working at a portability company:
 - As a non-supervisory employee, or
 - As a supervisory management employee whose base annual pay was \$50,000 or less, or
 - On a leave of absence from either position above (provided that you were reinstated to that position before the leave expired).
2. On the date after December 31, 1983 that you terminate employment with the first portability company, you must be working at that portability company as either a non-supervisory employee or a supervisory management employee with base annual pay at the date of termination of \$50,000 or less, adjusted for changes in the Consumer Price Index (CPI) from December 31, 1983 to your termination date.
3. On your date of hire with the new portability company, you must be both hired into a business that is covered by the MPA (as described above) and working as either a non-supervisory management employee or a supervisory management employee whose base annual pay at the date of hire was \$50,000 or less, adjusted for changes in the CPI from December 31, 1983 to your date of hire.

Transferring From a Portability Company

If you are eligible for portability under the MPA and you become a non-union employee of a FairPoint business that is subject to the MPA and that participates in the Plan, and you do not waive portability (see below):

- Your prior service and pension benefit that you earned under the other portability company's plan and assets representing the liability to pay for this benefit will be transferred to the Plan. However, you will not earn any additional benefits under the Plan and the benefit formulas described in this SPD will not apply to you. When you leave the Company and all Company affiliates, your Plan benefit will equal the pension benefit you earned under the other portability company's pension plan, but your service will count (i) as vesting service, to vest that benefit, and (ii) as net credited service, to determine if you are eligible for subsidized early retirement factors with respect to that benefit under the terms of the other portability company's pension plan.
- If you transferred from a portability company and received a lump-sum payment of your benefit under the other portability company's pension plan, you may have the right to repay your prior lump-sum payment to that prior portability company's pension plan. If you make that repayment, your prior service and pension benefit that you earned under the other portability plan and assets will be transferred to the Plan as described above. However, you will not earn any additional benefits under the Plan and the benefit formulas described in this SPD will not apply to you.

Special Vesting Rules

Under this Plan, you generally are vested after five years of vesting service. However, the vesting schedule may be different for your transferred pension. To determine whether you are vested, the two vesting schedules will be compared, and the more generous of the two will be used.

Waiver of Portability

If you sign a waiver of portability when you join a new portability company, you cannot transfer prior service under your former portability company's plan to your new portability company's plan. Instead, you will continue to be entitled to a pension benefit under your former portability company's plan, and you will begin work at the new portability company with the status of a new hire. If you sign a waiver of portability, the waiver remains in effect at any portability company you may work for in the future. It is a one-time, irrevocable lifetime waiver.

Transfers of Pension Liabilities From This Plan to Another Plan

If you are hired by a new portability company after you leave a FairPoint portability company, meet the eligibility requirements for portability, and do not sign a waiver of portability (see section above), your accrued benefit will be transferred from the Plan to the new portability company's pension plan. If the benefit is transferred, you are no longer eligible for a pension under the Plan.

Employees of Non-Portability Companies

If you become employed by a Company affiliate that is not covered by the MPA, you do not have the right to have your service and pension benefits with a prior portability company transferred to the Plan.

CLAIMS AND APPEALS PROCEDURES

The Pension Committee is the claims administrator for the Plan and has discretionary authority to make determinations regarding claims and appeals under the Plan. (See the *Administrative Information* section for contact information.)

The Plan grants the Pension Committee discretionary authority to:

- Interpret the Plan based on its provisions and applicable law and make factual determinations about claims arising under the Plan
- Determine whether a claimant is eligible for benefits
- Decide the amount, form and timing of benefits
- Resolve any other matter under the Plan that is raised by a participant or a beneficiary, or that is identified by the Pension Committee.

Benefit Claim Procedures

If you believe you are entitled to benefits under the Plan, and benefits have been denied or determined differently, you have the right to file a claim for benefits under the Plan with the Pension Committee. The Pension Committee (or the person designated by the Pension Committee on its behalf) will respond to a claim 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. **It is your responsibility to inform the Company of any change in 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, documents, 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

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.

Note that any action brought to obtain benefits from the Plan must be filed no later than one year after you exhaust the Plan's claims procedures. Any such action must be filed in federal court in the Central District of Illinois.

OTHER IMPORTANT INFORMATION

If You Divorce or Legally Separate

As a Plan participant, you may not sell, assign, transfer or pledge your pension benefit or have it garnished under most circumstances.

Your Plan benefit belongs solely to you or to your beneficiary if survivor benefits apply when you die. If you are divorced or legally separated, however, certain court orders – known as qualified domestic relations orders (QDROs) – could require part of your benefit to be paid to someone else, such as your former spouse or your child.

You may receive a copy of the Plan's procedures governing QDRO determinations. The Plan Administrator is required to furnish a copy of the procedures without charge. You may request a copy of the plan's QDRO procedures by contacting the Consolidated Communications Pension Service Center.

How Benefits Could Be Reduced, Lost, Suspended or Delayed

Your pension benefits under the Plan will be reduced, lost, suspended or delayed if one of the following conditions applies:

- Your benefits are attached or otherwise assigned under a QDRO, in which case any portion of your benefits that are not attached or assigned will be paid to you.
- Your benefits are subject to a federal tax levy.
- You do not provide the Company or the Consolidated Communications Pension Service Center with your most recent address, such that you cannot be located.
- You fail to make proper application for benefits or fail to provide necessary information.
- You transfer to a portability company, and your plan benefit is transferred to and paid from another pension plan maintained by such other company.
- Your benefit payable as a monthly annuity at your normal retirement date is reduced because you elect to retire or start payment of your pension before your normal retirement date.
- Your benefit is reduced because you receive payment in an annuity form of payment other than a single life annuity.
- You have received your benefit as a lump sum or a single life annuity and no death benefits are payable as a result.
- Your benefit is adjusted to account for prior payments made following a prior termination of employment.

- Your benefit is reduced to reflect that you are receiving a pension from another Verizon or FairPoint plan for the same years of employment.
- You are receiving a disability pension and your benefits are stopped because you recover from disability.
- You fail to apply to start your benefit on the earliest date that you are eligible for an unreduced pension.
- You separate from service before normal retirement age and choose to defer receipt of your benefit.
- You die before your pension commencement date and the benefit payable to your beneficiary is less than the benefit that you would have been eligible to receive if you had lived to your pension commencement date.
- Interest rates on which lump-sum calculations under an annuity formula are based change monthly. Therefore, it is possible for the lump sum payable to you based on a date in a later month to be less than the lump sum that would have been payable to you based on a date in an earlier month.
- Interest rates on which annuity payment calculations under a cash balance formula are based change quarterly. Therefore, it is possible for the annuity payable to you based on a date in a later month to be less than the annuity that would have been payable to you based on a date in an earlier month.
- You elect a joint and survivor annuity with a pop-up feature and you notify the Consolidated Communications Pension Service Center of your beneficiary's death more than one year after the death occurs, causing the pop-up adjustment to apply to future payments only.
- Your benefit is reduced under Internal Revenue Code Section 415 which governs the maximum amount that can be paid to a participant from qualified pension plans.
- The actual amount of your benefit will be determined under the terms of the official Plan document based on final data. If there is a difference between the amount of your benefit determined under the official Plan document and the amount described in any benefit estimate you are provided, the Plan will pay the amount determined under the Plan document, even if that is less. In addition, the Pension Committee reserves the right to take steps to correct or recover any erroneous benefit payments.
- The Plan is terminated before sufficient assets have been accumulated to pay all benefits. (In this case, you may be protected by the Pension Benefit Guaranty Corporation.)
- You transfer to another company as a result of a sale, spinoff or outsourcing arrangement, and your benefit is transferred to and paid from another pension plan maintained by such other company.

Top-Heavy Rules

Under current law, if the Plan provides more than 60% of its benefits to “key” employees, the plan is considered “top-heavy.” Both “top-heavy” and “key” employees are terms defined under the Internal Revenue Code.

At present, the Plan is not top-heavy. In the unlikely event that it becomes top-heavy, your benefits may be increased, and your vesting may be accelerated to keep the plan qualified under IRS regulations. The top-heavy vesting schedule requires that you become 100% vested after you complete three years of vesting service.

Funding and Sources of Contributions

The Company pays the full cost of the Plan by making contributions to a special pension fund. The amount that the Company contributes is determined by the Plan’s actuary.

The assets of the pension fund are held in trust. The money in the trust can be used only to pay Plan benefits and administrative costs and cannot be returned to the Company until all benefits have been paid or otherwise provided for (for example, in the form of an insurance company annuity). The trustee funds all payments under the Plan from the pension fund.

Pension Benefit Guaranty Corporation (PBGC)

Certain benefits under this Plan are insured by the 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 the Plan, but some people may lose certain benefits. The PBGC guarantee generally covers:

- Normal and early retirement benefits.
- Disability benefits, if you become disabled before the plan terminates.
- Certain benefits for your survivors.

The PBGC guarantee generally does not cover:

- Benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates.
- Some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than five years at the time the Plan terminates.
- Benefits that are not vested because you have not worked long enough for the Company.
- Benefits for which you have not met all of the requirements at the time the Plan terminates.

- 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 (age 65).
- 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 may still receive some of those benefits from the PBGC, depending on how much money the Plan has and how much the PBGC collects from employers.

Additional information about the PBGC's pension insurance program is available through the PBGC's Web site on the Internet at <http://www.pbgc.gov>.

Changes to the Plan

Although under this Plan participants stopped earning benefits on June 30, 2006, the Company expects to continue the Plan. The Company, however, reserves the right to amend, modify, suspend, terminate or partially terminate the Plan at any time, at its discretion, with or without advance notice to participants, subject to applicable law.

Upon termination or partial termination of the Plan, the accrued benefits of each participant affected by the termination or partial termination (as determined by the Plan Administrator) shall become fully vested to the extent funded. Upon termination of the Plan, no further benefits are earned, and no increases in previously earned benefits will occur by reason of future service or compensation.

In the event the Plan is terminated in full, Plan assets will be allocated, after payment of plan expenses for administration or liquidation, to pay benefits accrued to the date of termination, to the extent and in the order required by section 4044 of ERISA and the terms of the Plan. If the Plan is terminated, you will generally receive benefits at retirement age or, if appropriate, by an earlier distribution, with benefits distributed either in the form of cash or in the form of an annuity contract issued by an insurance company. See the section "*Pension Benefit Guaranty Corporation (PBGC)*" section for benefit guarantees that may apply if the Plan is terminated.

YOUR RIGHTS UNDER ERISA

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.

ADMINISTRATIVE INFORMATION

Retirement Plan Administrative Information

Plan Sponsor	Consolidated Communications, Inc. c/o Human Resources 350 South Loop 336 West Conroe, TX 77304 833-224-1300
Plan Administrator	Consolidated Communications Pension Committee c/o Human Resources 350 South Loop 336 West Conroe, TX 77304 833-224-1300
Plan Name	Consolidated Communications Retirement Plan
Employer Identification Number	02-0636475
Plan Number	006
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.

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