CONSOLIDATED COMMUNICATIONS RETIREMENT PLAN

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

Summary Plan Description

As it applies to

Texas Non-Union Participants

Consolidated Communications Retirement Plan

Summary Plan Description

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Introduction to the Consolidated Communications Retirement Plan

The Consolidated Communications Ventures Company Retirement Plan, which was most recently amended and restated effective January 1, 2002 (“Ventures Plan”), was merged into the Illinois Consolidated Telephone Company Retirement Income Plan for Hourly-Paid Employees effective as of January 1, 2008, and the merged plans were re-stated into the Consolidated Communications Retirement Plan, effective as of January 1, 2008 (“Plan” or “Retirement Plan”). The Plan was subsequently amended and restated most recently effective January 1, 2016.

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

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

You should remember that this SPD is only a summary. It does not alter the Plan in any way. The actual text of the Plan (including amendments) and the related Trust Agreement control in all instances, including any instance in which there may be an inconsistency between the contents of this SPD and the contents of the legal documents. **In addition, please note that this version of the SPD is tailored to describe your benefits only if you are a Texas employee who is not in the Lufkin/Conroe Union, and the references in the SPD to “Participant” only apply to Texas employees who are not in the Lufkin/Conroe Union. If you are *not* a Texas employee or you are a member of the Lufkin/Conroe Union, please contact your Human Resources Department for information with respect to your benefits under the Plan.**

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

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

Your Human Resources Department can also help you with any questions you may have about the Retirement Plan or about any of the benefit plans provided by the Company. Your Benefits Representative can be reached in the Conroe office at 936-539-7270.

Summary of How the Retirement Plan Works

The Retirement Plan provides eligible employees with a benefit at retirement or termination of employment. Your Retirement Benefit is generally determined by your service, your pay and your age at the time you begin receiving benefits from the Plan You are eligible for Retirement Benefits if you are a Non-Grandfathered Participant, a Grandfathered Participant or a Cash Balance Participant, (as defined below).

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

1. Benefit accruals under the Plan were "frozen" as of May 1, 2005 for all Non-Grandfathered Participants and Cash Balance Participants and as of January 1, 2010 for all Grandfathered Participants (in each case, a "Freeze Date"). This means that all benefits otherwise payable under the Plan, as described in this SPD, will be limited to the amounts accrued as of these Freeze Dates. You will see references to these respective Freeze Dates in several places throughout this SPD.

2. The following benefit formulas apply:

   - If you first became a Participant in the Plan before January 1, 2002 and you remained continuously employed, your Benefit under the Plan will be determined under the Traditional Retirement Formula.

   - If you first became a Participant in the Plan on or after January 1, 2002, your Benefit under the Plan generally will be determined under the Plan's Cash Balance Formula.

   - If you were a Participant in the Plan and terminated employment prior to January 1, 2002, and then were rehired on or after after January 1, 2002 but prior to April 30, 2005, your Benefit prior to your first termination is determined under the Traditional Retirement Formula, and your Benefit on rehire is determined under the Cash Balance Formula.

See the section of this SPD entitled "Retirement Plan Terms and What They Mean" for definitions of the terms "Cash Balance Participant," "Cash Balance Formula," Grandfathered Participant," "Non-Grandfathered Participant" and "Traditional Retirement Formula."

Retirement Benefit – Traditional Benefit Formula

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

Normal Retirement Benefit

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

Postponed Retirement Benefit

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

Early Retirement Benefit

“Early Retirement Benefits” are payable if you retire on or after the date you reach age 50 and complete at least 15 years of Vesting Service (your “Early Retirement Age).” The first day of the month coincident with or next following the date you leave employment with the Company will be your “Early Retirement Date.”

Disability Retirement Benefit

“Disability Retirement Benefits” are payable if you retire prior to your Normal Retirement Date because you are Disabled. See the section of this SPD entitled “Disability Benefits” for the definition of Disabled and for more details.

Vested Benefit

Participants who terminate employment with the Company at any time after completing at least five years of Vesting Service (or three years, if any portion of their Retirement Benefit is determined under the Cash Balance Formula) are eligible to receive the portion of their Retirement Benefit determined under the Traditional Benefit Formula once they have reached their Early Retirement Age or, if they have fewer than 15 years of Vesting Service, upon their Normal Retirement Date.

Retirement Benefit – Cash Balance Formula

The portion of your Retirement Benefit determined under the Cash Balance Formula can be paid any time following your termination of employment, if you have completed at least three years of Vesting Service as of the date your employment terminates.

Death Benefit

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

Cost

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

Retirement Plan Terms And What they Mean

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

Benefit or Retirement Benefit

Your "Benefit" or "Retirement Benefit" is the amount of your benefit under the Plan to which you are entitled as of the date of calculation. If your Benefit is based on the Traditional Retirement Formula, it is based on your Final Average Monthly Compensation and Credited Service as of the earlier of the date of calculation or the applicable Freeze Date. If your Benefit is based on the Cash Balance Formula it is equal to the balance of your Cash Balance Account as of the date of calculation.

Break in Service

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

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

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

Cash Balance Participant

You are a "Cash Balance Participant" if you satisfied the eligibility requirements under the Plan on or after January 1, 2002 and prior to April 30, 2005 upon your initial hire or rehire, and you did not transfer employment from an affiliated employer that maintained a defined benefit pension plan under which you were accruing a benefit. (If you had transferred from such an affiliated employer, you are a Grandfathered or Non-Grandfathered Participant, as applicable).

Cash Balance Formula

The "Cash Balance Formula" is the method for calculating the Benefit for Cash Balance Participants.

Code

"Code" means the Internal Revenue Code of 1986, as amended.

Company

"Company" means Consolidated Communications, Inc.

Compensation

"Compensation" means the sum of:

- your earnings from the Company for services rendered during the calendar year, as reported in Box 1 (or its subsequent equivalent) on your Form W-2 (or its subsequent equivalent), and

- any elective contributions made on your behalf by the Company that are excluded from your gross income under the provisions of the Company's pre-tax health care insurance premium plan, the flexible reimbursement account plan, or the 401(k) savings plan.

Any amounts paid by the Company to you or on your behalf after the applicable Freeze Date will be disregarded in determining your Compensation. In addition, Compensation used to determine your Benefit is subject to general Internal Revenue Code limits.

Credited Service

"Credited Service" is used to calculate your benefit. Generally, Credited Service is the number of years and completed months from your date of hire to the earlier of the applicable Freeze Date or your date of termination or retirement. Non-paid leaves of absence are excluded, although absences of less than one month and certain absences due to military service will be included.

Eligibility Service

If you are an eligible Employee you must have had a year of "Eligibility Service" in order to become a Participant in the Plan. You received a year of Eligibility Service for each Eligibility Computation Period in which you complete 1,000 or more hours of service (i.e., each hour for which you are paid or entitled to payment by the Company for (a) the performance of duties or (b) reasons other than the performance of duties, such as vacation, holidays, sickness, disability, paid layoff and similar paid periods of nonworking time). "Eligibility Computation Period" means the 12-month period that began on your date of hire. If you did not complete 1,000 hours of service in the initial Eligibility Computation Period, the Eligibility Computation Period became the 12-month period beginning on the first day of each Plan Year (January 1), starting with the Plan Year in which the first anniversary of your date of hire occurred.

Employee

You are an "Employee" who is eligible to participate in the Plan if you were hired in Texas prior to April 30, 2005, receive compensation from the Company or member of the Company's controlled group for personal service rendered to the Company or controlled group member and are not either (i) covered by a collective bargaining agreement negotiated between Lufkin/Conroe Union CWA local 6218 and the Company or an affiliated company, (ii) a leased employee, or (iii) an independent contractor. Employees hired on or after April 30, 2005 are not eligible to participate in this Plan.

Final Average Monthly Compensation

Your "Final Average Monthly Compensation" generally is equal to the monthly average of your yearly Compensation from the Company during the highest five consecutive calendar years out of the 10 completed years preceding the calendar year in which you retire or terminate your employment. Your Compensation during the calendar year in which you retire or terminate your employment is used only if you did not earn any Compensation during any prior year or if your employment is terminated after December 1 of a calendar year. Your Final Average Monthly Compensation is determined by adding your Compensation during the applicable period and then dividing the total by the number of months in the period that you received the Compensation.

Any Compensation received by you after the applicable Freeze Date will be disregarded in calculating your Final Average Monthly Compensation.

Freeze Date

The "Freeze Date" means May 1, 2005 for all Non-Grandfathered Participants and Cash Balance Participants and January 1, 2010 for all Grandfathered Participants. Benefit accruals under the Plan were frozen as of the respective Freeze Dates, which means that all benefits otherwise payable under the Plan, as described in this SPD, will be limited to the amounts accrued as of these Freeze Dates.

Grandfathered Participant

You are a "Grandfathered Participant" if you had both (i) attained age 50 and (ii) completed at least 20 years of Credited Service as of April 30, 2005. Grandfathered Participants were eligible to accrue a Benefit under the Traditional Retirement Formula until the Freeze Date of December 31, 2009.

Non-Grandfathered Participant

You are a "Non-Grandfathered Participant" if you first satisfied the eligibility requirements under the Plan (i) prior to January 1, 2002 but did not satisfy the eligibility requirements to become a Grandfathered Participant as of April 30, 2005 or (ii) on or after January 1, 2002 and prior to April 30, 2005 and you transferred employment from an affiliated employer that maintained a defined benefit pension plan under which you were accruing a benefit. Non-Grandfathered Participants were eligible to accrue a Benefit under the Traditional Retirement Formula until the Freeze Date of April 30, 2005.

Participant

You are a "Participant" for purposes of this SPD if you are an Employee who is a Cash Balance Participant, a Grandfathered Participant or a Non-Grandfathered Participant. You became a "Participant" of the Plan on the date you entered the Plan upon completing the participant eligibility requirements as explained in the section of this SPD entitled "Becoming a Retirement Plan Participant."

Pension Committee

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

Plan Year

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

Traditional Retirement Formula

The "Traditional Retirement Formula" is the method for calculating the Accrued Benefit of all Grandfathered and Non-Grandfathered Participants.

Vesting Service

"Vesting Service" is used to determine if you are eligible for a benefit. Vesting Service is not necessarily equal to your Credited Service. Generally, "Vesting Service" means your period of service in whole years with the Company and all members of the Company's controlled group from your date of hire. The first 12 months of any continuous leave of absence is counted as Vesting Service. The portion of any absence that exceeds 12 months is not included in your Vesting Service unless it was included in your Credited Service. Your Vesting Service is also used to determine if you are eligible for Early Retirement.

Becoming a Retirement Plan Participant

Without exception, employees hired or rehired on or after April 30, 2005 are not eligible to participate in the Plan.

Participation in the Plan began automatically once an Employee had met all of the Plan's eligibility requirements. You were not required to take any action in order to participate in the Plan.

Your Retirement Benefit

If you are a Grandfathered or Non-Grandfathered Participant, your Retirement Benefit is calculated under the Traditional Retirement Formula. If you are a Cash Balance Participant, your Retirement Benefit is calculated under the Cash Balance Formula.

Retirement Benefit Under the Traditional Retirement Formula

Your Retirement Benefit under the Traditional Retirement Formula is equal to the Plan benefit you have earned as of the earlier of the applicable Freeze Date or your date of termination or retirement. This Retirement Benefit is the monthly amount you would receive if it were paid in the form of a 10 Years Certain and Life Annuity. This benefit generally commences on your Normal Retirement Date.

The Benefit you earn under the Traditional Retirement Formula is based on your years of Credited Service, your Final Average Monthly Compensation, and your age when the Benefit commences.

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

Normal Retirement Benefits

Your "Normal Retirement Date" is the first day of the month falling on, or next following, the date you reach age 65, or if later, the date you earn five years of Vesting Service.

Non-Grandfathered Formula

If you are a Non-Grandfathered Participant and terminate employment with the Company on your Normal Retirement Date, you will receive a monthly benefit equal to the following formula:

Your number of years of Credited Service completed as of April 30, 2005
multiplied by
Your Final Average Monthly Compensation as of April 30, 2005
multiplied by
1.57%[1]

[1] 1.57% is the factor used for termination dates occurring on or after January 1, 1999. If your termination date was on or after January 1, 1996 but before January 1, 1999, the factor was 1.55%. If your termination date was on or after January 1, 1994 but before January 1, 1996, the factor was 1.50%. If your termination date was on or after January 1, 1990 but before January 1, 1994, the factor was 1.40%. If your termination date was before January 1, 1990, the factor was 1.35%.

Normal Retirement Benefit Calculation Examples- Non-Grandfathered Participants

Example 1

Suppose you retire on January 1, 2017, with 15 years of Credited Service.* Also assume that your Final Average Monthly Compensation* is $2,750. Your Normal Retirement Benefit would be computed as follows -

Years of Credited Service	15
Final Average Monthly Compensation	$2,750.00
Retirement Factor in Effect at Retirement	x 0.0157
Normal Retirement Benefit	$647.63

Example 2

Suppose you retire on or after January 1, 2017, with 12 years of Credited Service.* Also assume that your Final Average Monthly Compensation* is $3,000. Your Normal Retirement Benefit would be computed as follows –

Years of Credited Service	12
Final Average Monthly Compensation	x $3,000.00
Retirement Factor in Effect at Retirement	x 0.0157
Normal Retirement Benefit	$565.20

* Determined as of April 30, 2005.

If you are not married when you retire and do not choose another method of benefit payment, your monthly Normal Retirement Benefit payable as a 10 Years Certain and Life annuity will be $647.63 (as calculated under the above Example 1) or $565.20 (as calculated under the above Example 2).

If you are married when you retire and do not choose another method of benefit payment (with your spouse's consent, if necessary) your monthly Normal Retirement Benefit will be payable under the Joint and 50% Contingent Annuity with your spouse as your beneficiary. Your 10 Years Certain and Life benefit will be actuarially adjusted to take into account that payments will be made over two lifetimes instead of just yours. See the section of this SPD entitled "Available Forms of Payment" for details about other optional forms of benefit payment.

Grandfathered Formula

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

Your number of years of Credited Service completed as of April 30, 2005
multiplied by
Your Final Average Monthly Compensation as of December 31, 2009
multiplied by
1.57%[2]

PLUS

Your number of years of Credited Service completed after April 30, 2005
and prior to January 1, 2010
multiplied by
Your Final Average Monthly Compensation as of December 31, 2009
multiplied by
1.00%

[2] 1.57% is the factor used for termination dates occurring on or after January 1, 1999. If your termination date was on or after January 1, 1996 but before January 1, 1999, the factor was 1.55%. If your termination date was on or after January 1, 1994 but before January 1, 1996, the factor was 1.50%. If your termination date was on or after January 1, 1990 but before January 1, 1994, the factor was 1.40%. If your termination date was before January 1, 1990, the factor was 1.35%.

Normal Retirement Benefit Calculation Examples- Grandfathered Participants

Example 3

Suppose you retire on January 1, 2017, with 30 years of Credited Service.* Also assume that your Final Average Monthly Compensation* is $2,750. Your Normal Retirement Benefit would be computed as follows -

Pre- May 1, 2005 Portion of Benefit	
Years of Credited Service as of April 30, 2005	25.25
Final Average Monthly Compensation	$2,750.00
Retirement Factor in Effect at Retirement	x 0.0157
Pre-May 1, 2005 Normal Retirement Benefit	$1090.17
Post- May 1, 2005 Portion of Benefit	
Years of Credited Service after April 30, 2005	4.75
Final Average Monthly Compensation	$2,750.00
Retirement Factor in Effect at Retirement	x 0.0100
Post-May 1, 2005 Normal Retirement Benefit	$130.63
Total Normal Retirement Benefit	$1220.80

* Calculated as of December 31, 2009. 25.25 years of Credited Service were earned prior to May 1, 2005, and 4.75 years of Credited Service were earned between May 1, 2005 and December 31, 2009.

If you are not married when you retire and do not choose another method of benefit payment, your monthly Normal Retirement Benefit payable as a 10 Years Certain and Life annuity will be $1,220.80.

If you are married when you retire and do not choose another method of benefit payment (with your spouse's consent, if necessary) your monthly Normal Retirement Benefit will be payable under the Joint and 50% Contingent Annuity with your spouse as your beneficiary. Your 10 Years Certain and Life benefit will be actuarially adjusted to take into account that payments will be made over two lifetimes instead of just yours. See the section of this SPD entitled "Available Forms of Payment" for details about other optional forms of benefit payment.

Early Retirement Benefits

Your "Early Retirement Date" is the first day of the month following the date you retire, if you retire after you reach age 50 and complete 15 years of Vesting Service, but before your Normal Retirement Date.

If you terminate employment with the Company when you are eligible for Early Retirement, your Retirement Benefit will begin on your Normal Retirement Date unless you make an election (with at least 30 days' prior written notice) to have payments begin on an earlier date. If you elect payment to begin as of your Early Retirement Date, your Early Retirement Benefit will be determined by multiplying your Normal Retirement Benefit by the appropriate Early Retirement Adjustment Factor from the following table. The Early Retirement Adjustment Factor is based on your age (in completed years and months) as of your Early Retirement Date. The Early Retirement Adjustment Factor is used to adjust for the fact that your benefits will begin before your Normal Retirement Age, and will be paid out over a longer period of time.

Attained Age on Early Retirement Date	Reduction Factor for all Non-Grandfathered Participants and Grandfathered Participants for Benefits accrued prior to May 1, 2005	Reduction Factor for Grandfathered Participants for Benefits accrued on or after May 1, 2005*
62 or older	1.00	1.00
61	1.00	0.94
60	1.00	0.88
59	0.98	0.82
58	0.96	0.76
57	0.93	0.70
56	0.90	0.64
55	0.87	0.58
54	0.63	0.52
53	0.60	0.46
52	0.58	0.40
51	0.55	0.34
50	0.53	0.28

* The Early Retirement Adjustment Factor in the second column applies to that portion of a Grandfathered or Non-Grandfathered Participant's benefit that is accrued prior to May 1, 2005. The Early Retirement Adjustment Factor in the third column applies to that portion of a Grandfathered Participant's benefit that is accrued on or after May 1, 2005, but before January 1, 2010.

The Early Retirement Adjustment Factor is based on your age (in completed years and months) as of your Early Retirement Date. The Early Retirement Adjustment Factor is used to adjust for the fact that your benefits will begin before your Normal Retirement Age, and will be paid out over a longer period of time.

Early Retirement Benefit Calculation Example - Non-Grandfathered Participants

Example 4

Suppose you retire on January 1, 2017, at age 55 with 20 years of Credited Service* and elect immediate payment of your Benefit. Also assume that your Final Average Monthly Compensation* is $2,500. Your monthly Early Retirement Benefit would be computed as follows -

Years of Credited Service	20
Final Average Monthly Compensation	x$2,500.00
Retirement Factor in Effect at Retirement	x 0.0157
Normal Retirement Benefit	$785.00
Early Retirement Adjustment Factor	x 0.87
Early Retirement Benefit	$ 682.95

* Determined as of April 30, 2005.

If you are not married when you begin early retirement and do not choose another method of payment, your monthly Early Retirement Benefit (as calculated under the above example) payable as a 10 Years Certain and Life annuity will be $682.95.

If you are married when you begin early retirement and do not choose another method of payment (with your spouse's consent, if necessary) your 10 Years Certain and Life benefit will be payable under the Joint and 50% Contingent Annuity with your spouse as your beneficiary based on your age and the age of your spouse. See the section of this SPD entitled "Available Forms of Payment" for details about other optional forms of benefit payment.

Early Retirement Benefit Calculation Example - Grandfathered Participants

Example 5

Suppose you retire on January 1, 2017, at age 55 and with 20 years of Credited Service* and elect immediate payment of your Benefit. Also assume that your Final Average Monthly Compensation** is $2,500. Your monthly Early Retirement Benefit would be computed as follows –

Pre- May 1, 2005 Portion of Benefit	
Years of Credited Service as of April 30, 2005	15.25
Final Average Monthly Compensation	$2,500.00
Retirement Factor in Effect at Retirement	x 0.0157
Pre- May 1, 2005 Normal Retirement Benefit	$ 598.56
Early Retirement Adjustment Factor	x 0. 87
Pre- May 1, 2005 Early Retirement Benefit	$ 520.75
Post- May 1, 2005 Portion of Benefit	
Years of Credited Service after April 30, 2005	x 4.75
Final Average Monthly Compensation	$2,500.00
Retirement Factor in Effect at Retirement	x 0.0100
Post- May 1, 2005 Normal Retirement Benefit	$ 118.75
Early Retirement Adjustment Factor	x 0. 58
Post- May 1, 2005 Early Retirement Benefit	$ 68.88
Total Early Retirement Benefit	$ 589.63

* Calculated as of December 31, 2009. 15.25 years of Credited Service were earned prior to May 1, 2005, and 4.75 years of Credited Service were earned between May 1, 2005 and December 31, 2009.

**Calculated as of December 31, 2009.

If you are not married when you begin early retirement and do not choose another method of payment, your monthly Early Retirement Benefit (as calculated under the above example) payable as a 10 Years Certain and Life annuity will be $589.63.

If you are married when you begin early retirement and do not choose another method of payment (with your spouse's consent, if necessary) your 10 Years Certain and Life benefit will be payable under the Joint and 50% Contingent Annuity with your spouse as your beneficiary based on your age and the age of your spouse. See the section of this SPD entitled "Available Forms of Payment" for details about other optional forms of benefit payment.

If you elect payment to begin after your Early Retirement Date, your Early Retirement Benefit will be determined by (1) multiplying your Normal Retirement Benefit by the appropriate Early Retirement Adjustment Factor from the above table (determined as of your Early Retirement Date) and (2) actuarially adjusting that amount by the appropriate factors from the table below, as described in the following example. In addition, you can elect to add Death Benefit protection for your beneficiary in the event that you should die before your payments are scheduled to start. For more details on this optional feature, see the section of this SPD entitled "Death After Termination and Before Payments Start." If you elect Death Benefit coverage, the amount of your Plan benefit otherwise payable will be actuarially reduced to take into account the cost of providing the Death Benefit coverage, as described in the following example.

Adjustment Factors for Delayed Early Retirement

Age	No Death Coverage	With Death Coverage
50	3.63	3.04
51	3.36	2.83
52	3.11	2.64
53	2.87	2.45
54	2.65	2.28
55	2.44	2.12
56	2.25	1.97
57	2.07	1.83
58	1.90	1.70
59	1.74	1.57
60	1.59	1.46
61	1.46	1.35
62	1.33	1.26
63	1.21	1.16
64	1.10	1.08
65	1.00	1.00

Example

Suppose you are the Grandfathered Participant in the previous example, and you are entitled to an immediate Early Retirement Benefit of $589.63 per month commencing when you retire on January 1, 2017 at age 55. Suppose also that you would like to defer commencement of your Early Retirement Benefit to age 60 and you would like to have Death Benefit coverage for your designated beneficiary for the period prior to commencement of your deferred Early Retirement Benefit. You would first multiply your Early Retirement Benefit of $589.63 by the age 55 Adjustment Factor of 2.12, producing an Early Retirement Benefit of $1,250.02 starting at age

65. Next, you would divide the age 65 benefit of $1,250.02 by the age 60 Adjustment Factor of 1.46, producing an Early Retirement Benefit of $856.18 starting at age 60.

Postponed Retirement Benefits

If you continue working past your Normal Retirement Date, your Postponed Retirement Benefit is calculated using your Credited Service and Final Average Monthly Compensation as of the applicable Freeze Date.

Your monthly Postponed Retirement Benefit will not be less than the monthly Normal Retirement Benefit you would have received if you had terminated employment on your Normal Retirement Date, increased to reflect accumulated interest (at 6% compounded monthly) and your reduced life expectancy.

Vested Benefits

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

Your monthly Vested Benefit payments will normally start on your Normal Retirement Date. However, if you have completed at least 15 years of Vesting Service at your termination date, you may elect to start receiving your Vested Benefit beginning as early as age 50, and your Vested Benefit will be reduced to take into account the early commencement of payments by multiplying your Normal Retirement Benefit by the appropriate Early Commencement Factor from the table below.

If your Vested Benefit does not start immediately, then whether or not you have 15 years of Vesting Service at your termination date, you may elect to have Death Benefit protection for your beneficiary in the event that you should die before your payments are scheduled to start. If this coverage is elected, the amount of benefit otherwise payable to you will be actuarially reduced to take into account the cost of providing the Death Benefit coverage.

Early Commencement Factor

Age	Factor
55	0.4098
56	0.4451
57	0.4840
58	0.5271
59	0.5748
60	0.6278
61	0.6866
62	0.7522
63	0.8255
64	0.9077
65	1.0000

Death Coverage Factor

Age	Factor	Age	Factor
25	0.7946	46	0.8238
26	0.7955	47	0.8269
27	0.7964	48	0.8304
28	0.7973	49	0.8343
29	0.7981	50	0.8385
30	0.7990	51	0.8433
31	0.7999	52	0.8485
32	0.8008	53	0.8544
33	0.8017	54	0.8609
34	0.8027	55	0.8681
35	0.8037	56	0.8760
36	0.8049	57	0.8847
37	0.8061	58	0.8944
38	0.8074	59	0.9051
39	0.8089	60	0.9170
40	0.8104	61	0.9302
41	0.8122	62	0.9448
42	0.8141	63	0.9612
43	0.8162	64	0.9795
44	0.8185	65	1.0000
45	0.8210		

Example

Suppose you terminate employment at age 45 with a Vested Benefit of $400.00 per month commencing at age 65. Suppose also that you have at least 15 years of Vesting Service, you would like to start receiving your Vested Benefit at age 60, and you would like to have Death Benefit coverage for your designated beneficiary for the period prior to commencement of your Vested Benefit. You would first multiply your Vested Benefit of $400 by the age 60 Early Commencement Factor of 0.6278, producing a benefit of $251.12 starting at age 60 with no Death Benefit coverage. To reflect the Death Benefit coverage, you would then multiply the benefit of $251.12 by the age 45 Death Coverage Factor of 0.8210 and divide by the age 60 Death Coverage Factor of .9170, producing an early commencing Vested Benefit of $224.83 starting at age 60.

Disability Benefits

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

You will be eligible to receive a Disability Benefit payable as of the earlier of:

- the date as of which you are determined to have been Disabled, or
- your Normal Retirement Date.

The Disability Benefit is equal to a 10 Years Certain and Life monthly annuity, which will be the actuarially equivalent of the following lump sum amount (whichever is greater):

- the lump sum value of your Retirement Benefit as of your date of termination due to Disability (based on the amount that would be payable at your Normal Retirement Date without adjustment for early commencement), or
- the lump sum value of either (a) or (b) below, whichever applies:
  a. 12 times your Final Average Monthly Compensation as of your date of termination due to Disability if you have not attained the age of 50 as of such date.
  b. 30 times your Final Average Monthly Compensation as of your date of termination due to Disability if you have attained the age of 50 as of such date.

The monthly Disability Benefit may not exceed the monthly Retirement Benefit to which you would have been entitled had you remained employed with the Company with no change in your Credited Service or your last monthly rate of Compensation (calculated as of the applicable Freeze Date) and retired on your Normal Retirement Date.

If you become eligible for a Disability Benefit but die before commencement of your payments and before you have recovered from your disability, your beneficiary may be eligible to receive a survivor's benefit from the Plan. Your beneficiary will receive a benefit equal to and payable in the same manner as the Death Benefit that applies to an Employee who dies while actively employed. This benefit is computed as if you had not retired under the Disability provisions of the Plan and you had continued to work for the Company at the rate of pay you were receiving at the time of your Disability until the earlier of your date of death or the applicable Freeze Date.

Cessation of Disability Benefits

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

Additionally, if you remain Disabled up to your Normal Retirement Date, your Disability Benefit payments will stop and you will qualify for a Normal Retirement Benefit as described above in this SPD.

Retirement Benefit Under the Cash Balance Formula

If you are a Cash Balance Participant, your Retirement Benefit determined under the Cash Balance Formula is equal to the amount that has accumulated in your hypothetical "Cash Balance Account" as of your date of termination of employment with the Company. This Cash Balance Account consists of two components:

(1) Cash Balance Contribution Credits; and

(2) Interest Credits.

These two components are further explained below.

Cash Balance Contribution Credits

You will have a Cash Balance Contribution credited to your Cash Balance Account at the end of each month while you are employed, but not past April 30, 2005. The credits are determined as set forth below:

Age + Years of Credited Service*	Contribution Credits as a Percentage of Monthly Compensation
Less than 35	3.5%
35 – 49	4.5%
50 – 64	5.5%
65 or Over	6.5%

* You receive no credit for Credited Service earned after April 30, 2005.

Interest Credits

As of the end of each month your Cash Balance Account will be credited with Interest Credits based on the balance of your Account as of the first day of that month (less any distributions that occur during the month). Interest Credits will be added to your Account every month until distribution of the Cash Balance Account is made or begins (even though Contribution Credits ceased as of April 30, 2005). The rate of interest used to determine the Interest Credit for each month is equal to the monthly average yield on the published rate of the 30-year Treasury bonds for the 12 months ending November 30 of the preceding Plan Year.

Vesting in your Cash Balance Retirement Benefit

Your benefit under the Cash Balance Formula will vest upon the earlier of your Normal Retirement Age or your completion of three years of Vesting Service.

Payment of your Cash Balance Retirement Benefit

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

If you are not married when you terminate employment and do not choose another method of benefit payment, the balance in your Cash Balance Account will be actuarially converted into a 10 Years Certain and Life monthly annuity.

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

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

Payment of Retirement Benefits

Unless you elect another payment option described below, the amount of your Retirement Benefit (whether determined under the Traditional Retirement Formula or the Cash Balance Formula) is payable under the 10 Years Certain and Life option if you are single and the Joint and 50% Contingent option if you are married.

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

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

Available Forms of Payment

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

10 Years Certain and Life Option

This is the automatic form of payment for single Participants unless they elect otherwise. Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live, with a guarantee that payments will be made for a minimum of 10 years even if you do not live that long. If you die before you have received payments for 10 years, the remaining payments will be paid to the person you name as your beneficiary for the remainder of the guaranteed 10 years. If you die after you have received payments for 10 years, no additional payments will be made after your death.

Joint and 50% Contingent Option

This is the automatic form of payment for married Participants unless they elect otherwise. If you are married, your Plan benefit will automatically be paid under this option with your spouse as your joint pensioner, unless your spouse agrees in writing to another optional form of payment. (Note however that you may select another Joint and Contingent option with your spouse as your joint pensioner without your spouse's consent.) You may also choose this form and designate anyone else as your joint pensioner (with your spouse's consent, if you have a spouse). Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. If the person that you have named as your joint pensioner is still living at the time of your death, 50% of the monthly income that you were receiving will be paid to that person for as long as he or she lives. If your joint pensioner is not living at the time of your death, then no additional payments will be made after your death. The monthly amount of your benefit is adjusted to consider life expectancy for both you and your joint pensioner.

Life Only Option

Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. No additional payments will be paid to any other person after your death even if you should die after receiving only one payment. The monthly amount of your benefit is adjusted to consider that there are no beneficiaries under this form of payment.

Joint and Contingent Option

Under this form of payment, you receive a monthly benefit that will be payable to you for as long as you live. If the person that you have named as your joint pensioner is still living at the time of your death, he or she will receive the percentage of the monthly income that you were receiving during your lifetime that has been designated by you (between 50% and 100%) for as long as he or she lives. If your joint pensioner is not living at the time of your death, then no additional payments will be made after your death. The monthly amount of your benefit is adjusted to consider life expectancy for both you and your joint pensioner.

Joint and Survivor Option

Under this form of payment, you receive a monthly benefit payable to you for as long as you and the person that you have named as your joint pensioner are both alive. When either of you die, the monthly payment will be continued in the amount designated by you (any percentage between 50% and 100% of the monthly benefit you received during your joint lifetimes). Benefit payments end when both you and your joint pensioner have died.

Term Certain Option

You can also elect to modify any of the four payment options outlined immediately above so that payments will be made to a beneficiary for only for a certain period after your death (or, in the case of the Joint and Survivor Option, after the death of either you or your joint pensioner, whichever is first). The period you select cannot exceed the maximum period allowed under Internal Revenue Service rules.

Lump Sum Payments

If you are a Cash Balance Participant, you may elect to receive a single lump sum payment of your Cash Balance Account, regardless of the amount. If you are a Grandfathered or Non-Grandfathered Participant, you may also elect to receive a single lump sum payment of your Retirement Benefit determined under the

Traditional Retirement Formula, if the present value of such future Retirement Benefit does not exceed $60,000.

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

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

Method	Advantages	Disadvantages
10 Years Certain and Life	Provides for payments to either your or your beneficiary for at least 10 years.	No additional payments to a beneficiary if your death occurs after you receive payments for 10 years. Payments stop at the end of 10 years if your death occurs before you receive payments for 10 years.
Joint and 50% Contingent (or any Joint and Contingent with less than 100% contingent benefit)	Payments will be made for as long as either you or your spouse or other joint pensioner is living. Your payments are not reduced if your spouse or other joint pensioner dies before you do.	Payments are usually smaller than under the 10 Years Certain and Life form of payment. Only 1/2 (or some other percentage) of the monthly amount you were receiving will be paid to your spouse or other joint pensioner after your death. No further benefit payments are made following your death if your spouse or other joint pensioner dies before you.
Joint and 100% Contingent	Payments will be made for as long as either you or your joint pensioner is living. Your payments are not reduced if your joint pensioner dies before you do.	Payments are usually smaller than under the 10 Years Certain and Life form of payment. No further benefit payments are made following your death if your joint pensioner dies before you.

Method	Advantages	Disadvantages
Joint and 50% Survivor, (or any Joint and Survivor with less than 100% survivor benefit)	Payments will be made for as long as either you or your designated joint pensioner is living.	Payments are usually smaller than under the 10 Years Certain and Life form of payment. Only a percentage of the amount that you were receiving during your life is payable to your joint pensioner after your death. Your payments are similarly reduced to that percentage if your joint pensioner dies before you die.
Joint and 100% Survivor	Payments will be made for as long as either you or your designated joint pensioner is living. Payments to the survivor (you or your joint pensioner) are never reduced, even if you die first.	Payments are usually smaller than under the 10 years Certain and Life form of payment.
Life Only	Usually the largest monthly income amount.	There is no survivor/beneficiary amount due after death.
Lump Sum	Receive entire value of benefit at once. Can be rolled over to an Eligible Retirement Plan.	No future monthly payments. Tax burden falls in year received unless it is rolled over to an Eligible Retirement Plan.

Important Factors in Choosing the Form of Payment

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

Electing a Form of Payment

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

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

If you do not file your election with the Pension Committee before the date your retirement benefits are scheduled to start, the commencement of your retirement benefit payments will be delayed until your election is completed and filed with the Pension Committee. If you file an election but do not indicate a specific form of payment by the end of your filing deadline date, you will be deemed to have elected the Joint and 50% Contingent Survivor Option if you are married or the 10 Years Certain and Life Option if you are not married.

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

Retroactive Annuity Starting Date

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

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

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

Protected Rights of Your Spouse

Under federal law, your spouse has a protected right to receive a benefit that is payable for the remainder of your spouse's life if you die after your benefit payments have started and is actuarially equivalent to 50% of the monthly payments you were receiving prior to your death. Your spouse can waive these protected rights by signing a consent waiver before your benefit payments begin. In addition, if your spouse waives these protected rights, any subsequent change in your election of an optional form of benefit will require the consent of your spouse unless your spouse previously acknowledged in his or her prior consent that you have the right to change the form of benefit without your spouse's further consent. Your spouse must also consent to any subsequent change in beneficiaries.

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

Small Benefits

If, at the time your employment with the Company terminates, the lump sum present value of your total Retirement Benefit is less than $1,000, the Plan will automatically pay your Retirement Benefit in a single lump sum cash payment as soon as practicable after your termination date.

Death Benefits Under the Retirement Plan

Your beneficiary or beneficiaries may be eligible for a Death Benefit should you die before you begin receiving payment of your Retirement Benefit. This section explains the Death Benefits payable under the Retirement Plan, and explains your rights and options to designate your beneficiary.

Naming a Beneficiary

Forms are available for you to name the person or persons that you elect to receive any Death Benefits that may be payable under the Plan in the event of your death before you begin receiving payment of your Retirement Benefit. You may name anyone as your beneficiary and you may change your beneficiary designation at any time, but if you are married, your spouse must agree in writing to naming someone other than your spouse as beneficiary. Beneficiary forms can be obtained from your Human Resources Department.

If you do not name a beneficiary, or if the person you named is not living when you die, the Plan provides that your spouse will be your beneficiary if you are married. If you are not married and do not designate a beneficiary, the Plan will pay the benefit to your estate in a lump sum.

Death Benefit- Traditional Retirement Formula

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

If You Die While Employed

Should you die while employed by the Company, the Death Benefit is payable to your beneficiary in the form of a 10 Years Certain and Life annuity (unless otherwise elected) that is the actuarial equivalent of the greater of the following amounts:

- lump sum value of your Retirement Benefit as of your date of death (based on the amount that would be payable at your Normal Retirement Date without adjustment for early commencement), or

- the smaller of the lump sum value of:

    a. 100 times your projected monthly Normal Retirement Benefit, assuming your rate of monthly compensation had continued without change until the earlier of the applicable Freeze Date or your Normal Retirement Date; and

    b. whichever of the following is applicable to you:

        - 12 times your Final Average Monthly Compensation as of the earlier of the applicable Freeze Date or your date of death if you have not attained age 50 as of your date of death.

- 30 times your Final Average Monthly Compensation as of the earlier of the applicable Freeze Date or your date of death if you have attained age 50 as of your date of death.

If You Die After Termination and Before Payments Start

If you leave the Company with a vested right to your Retirement Benefit, but before payment begins, you can elect whether or not you want Death Benefit protection for the portion of your Retirement Benefit determined under the Traditional Retirement Formula during the period after you left the Company but before payment of your Retirement Benefit starts. If Death Benefit coverage is elected and you should die during this period, the amount that would have been used to provide your Retirement Benefit will be used to provide your beneficiary with a benefit at the date of your death. This Death Benefit will be payable in the same manner as the Death Benefit that is payable to the beneficiary of a Participant whose death occurs while actively employed. If you receive a lump sum settlement at termination, then Death Benefit protection does not apply.

If Death Benefit protection is provided, the portion of your Retirement Benefit determined under the Traditional Retirement Formula will be reduced to take into account the cost of providing such coverage. You will be informed shortly after you leave the Company of the amount of the monthly income you will be entitled to receive starting at age 65, both with and without the Death Benefit protection.

The Death Benefit coverage will automatically be provided on your behalf unless you waive your right to it. If you are married, you must have the consent of your spouse in order to waive your right to the Death Benefit coverage. The consent of your spouse must be in writing and must be witnessed by a notary public or Plan representative. If you waive the Death Benefit and later marry or remarry, your waiver will automatically be revoked as of the one-year anniversary of your marriage or remarriage unless you make another election to waive the Death Benefit with the consent of your current spouse. All elections must be in writing and must be filed with the Pension Committee. You may change your Death Benefit election at any time before your retirement income payments are to begin if you have your spouse's consent.

If you have effectively waived the Death Benefit protection, then no portion of your Retirement Benefit determined under the Traditional Retirement Formula will be paid to any beneficiary if you die after termination of employment but before your Retirement Benefit payments begin.

Death Benefit- Cash Balance Formula

If you die before payment of the portion of your Retirement Benefit determined under the Cash Balance Formula, if any, begins (regardless of whether you die before or after termination of employment), such portion will be paid to your beneficiary. If you are married, your beneficiary will be your spouse, unless you elected a different beneficiary and your spouse consented.

Payment of Death Benefits

Your Death Benefit will normally be paid to the person you name as your beneficiary in monthly installments starting on the first day of the month that falls on or next follows your date of death (pending the Company's calculation of your final wage information). The monthly payments to your beneficiary will generally be paid in the 10 Years Certain and Life option, which means that if your beneficiary should die prior to receiving payments for 10 years, the remaining payments will be paid to a secondary beneficiary. You or your beneficiary may elect a different starting date and may choose one of the following forms of payment.

Lifetime Only Income

Under this method, your beneficiary will receive a monthly income payable for his or her lifetime.

Monthly Income for Fixed Number of Months

Under this method, your beneficiary will receive a monthly income payable for a fixed number of months (no less than 60). If your primary beneficiary should die prior to receiving the fixed number of payments, the monthly income payments will be continued to a secondary beneficiary until the fixed number of payments are paid.

Combination Lifetime and Fixed Number of Months

Under this method, your beneficiary will receive a monthly income payable for his or her lifetime. Then, if your primary beneficiary should die before receiving the elected fixed number of payments, the monthly payments will be continued to a secondary beneficiary until the fixed number of payments are paid.

Lump-Sum Benefit

If you are a Cash Balance Participant, your beneficiary may elect to receive a single lump sum payment equal to the balance of your Cash Balance Account regardless of the amount.

If you are a Grandfathered or Non-Grandfathered Participant, your beneficiary may also elect to receive a single lump sum payment of your Retirement Benefit determined under the Traditional Retirement Formula if the present value of such Retirement Benefit does not exceed $60,000.

If the present value of the Death Benefit (determined under both the Traditional Retirement Formula and Cash Balance Formula) is less than $1,000, a lump sum will automatically be paid.

Death after Payments Begin

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

Benefit Claim Procedures

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

If your claim does not involve a determination of Disability:

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

(i) the specific reason or reasons for the denial of benefits;

(ii) a specific reference to the pertinent provisions of the Plan upon which the denial is based;

(iii) a description of any additional material or information which is necessary to perfect the claim together with an explanation of why such material or information is necessary; and

(iv) notice that any appeal of an adverse determination must be in writing to the Pension Committee within 60 days after receipt of the Pension Committee's notice of denial of benefits, along with a description of the Plan's appeal procedures and the applicable time limits, and a statement of your right to bring civil action under ERISA Section 502(a) following a denial on appeal.

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

Within 60 days after receipt by the Pension Committee of a written application for review of your claim, the Pension Committee shall notify you of its decision by delivery or by certified or registered mail to your last known address. However, in the event that special circumstances require an extension of time for processing the application for review, the Pension Committee shall so notify you of the need for an extension in writing, indicating the circumstances requiring an extension of time and the date by which the Plan expects to render the determination on review. Such extended period of review may last not later than 120 days after receipt of the application.

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

(i) the specific reason or reasons for the denial;

(ii) reference to the specific Plan provisions on which the benefit determination is based;

(iii) a statement that you are entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and

(iv) a statement of your right to bring an action under ERISA Section 502(a).

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

In lieu of mailing, any notices described above may be sent electronically.

If your claim does involve a determination of Disability

The Pension Committee will respond to a claim for benefits within 45 days after it receives your claim, unless special circumstances require an extension of time for processing the claim (limited to two 30 day extensions). Any time a claim for benefits is denied by the Pension Committee in whole or in part, you will be notified by the Pension Committee of such denial in writing. Unless you direct otherwise, this notice will be mailed to your last known mailing address. The Pension Committee's notice will indicate any information affecting your claim, including:

(i) the specific reason or reasons for the denial of benefits;

(ii) a specific reference to the pertinent provisions of the Plan upon which the denial is based;

(iii) a description of any additional material or information which is necessary to perfect the claim together with an explanation of why such material or information is necessary;

(iv) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the denial, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to you upon request; and

(v) notice that any appeal of an adverse determination must be in writing to the Pension Committee within 180 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 180 days after receipt of a notice of a denial of benefits as provided above, if you, as the claimant, disagree with the denial of benefits, you or your authorized representative must request, in writing, that the Pension Committee review your claim and may request to appear before the Pension Committee for such review. You may submit additional written comments, document, records and other information relating to the claim.

In conducting the review:

(i) 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.

(ii) the Pension Committee shall give you or your authorized representative reasonable access free of charge to all pertinent documents necessary for the preparation of your claim.

(iii) the Pension Committee shall not defer to the initial adverse benefit determination and an appropriate named fiduciary of the Plan who is neither the individual who made the benefit denial that is the subject of the appeal nor the subordinate of such individual shall conduct the review on appeal;

(iv) the Pension Committee shall provide that, in deciding an appeal of any benefit denial that is based in whole or in part on a medical judgment, the appropriate named fiduciary shall consult with a health care professional who has appropriate training and experience in the field of medicine involved in the medical judgment and that such professional shall be an individual who was neither consulted in connection with the original benefit denial, nor the subordinate of any such individual; and

(v) the Pension Committee shall identify the medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the benefit denial, without regard to whether the advice was relied upon in making the benefit determination.

Within 45 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 90 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) if an internal rule, guideline, protocol, or other similar criterion was relied upon in making the denial, either the specific rule, guideline, protocol, or other similar criterion; or a statement that such a rule, guideline, protocol, or other similar criterion was relied upon in making the adverse determination and that a copy of such rule, guideline, protocol, or other criterion will be provided free of charge to you upon request.

(iv) 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

(v) 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.

In lieu of mailing, any notices described above may be sent electronically.

Leaves of Absence And Military Service

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

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

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

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

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

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

Your Rights Under the Plan Upon Re-employment

If you left the Company and were-employed on or after April 30, 2005, you will not be allowed to re-enter the Plan as a Participant. If you left the Company and were later re-employed prior to April 30, 2005, you were either treated under the Plan as a new Employee or you may have started participating immediately and had your prior years of Credited Service and Vesting Service restored, depending upon the length of your prior service and the length of your absence.

Rehire as a Cash Balance Participant

If you were a Participant in the Plan and terminated employment prior to January 1, 2002, and then were rehired after January 1, 2002 but prior to April 30, 2005, you will be treated as Grandfathered Participant or Non-Grandfathered Participant (as applicable, depending on your age and years of Credited Service) for all purposes under this SPD with respect to your Retirement Benefit accrued prior to your termination, and you will be treated as a Cash Balance Participant for all purposes under this SPD with respect to your Retirement Benefit accrued on rehire, subject to the following rules.

- Your entire Retirement Benefit, including the portion determined under the Traditional Retirement Formula, will vest upon the earlier of your Normal Retirement Age or your completion of three years of Vesting Service.

- Unless you elect a separate lump sum payment of your Cash Balance Retirement Benefit (and your Traditional Retirement Benefit, if eligible), you must elect a single form of payment applicable to your entire Retirement Benefit (i.e., both the portion determined under the Traditional Retirement Formula and the portion determined under the Cash Balance Formula). If you elect a separate lump sum payment of your Cash Balance Retirement Benefit, you must elect to begin receiving payment of your remaining Retirement Benefit at the same time, unless the terms of the Plan prohibit it (e.g., because you have not yet reached age 50 and completed 15 years of Vesting Service). Likewise, you may not elect to receive payment of the portion of your Retirement Benefit determined under the Traditional Retirement Formula on a certain date but defer a lump sum payment of your Cash Balance Retirement Benefit to a later date.

- Unless you or your beneficiary elects a separate lump sum payment of your Cash Balance Retirement Benefit, you or your beneficiary must elect a single form of payment applicable to your entire Death Benefit (i.e., both the portion determined under the Traditional Retirement Formula and the portion determined under the Cash Balance Formula). If you or your beneficiary elects a separate lump sum payment of your Cash Balance Retirement Benefit, you must elect to begin receiving payment of your remaining Death Benefit at the same time. Likewise, you or your beneficiary may not elect to receive payment of the portion of your Death Benefit determined under the Traditional Retirement Formula on a certain date but defer a lump sum payment of your Cash Balance Retirement Benefit to a later date.

Service Crediting Upon Reemployment

Here are the rules that apply to absences beginning after January 1, 1985:

- If you returned to work within one year after you left, you were treated as though you had been temporarily absent and your Credited Service and Vesting Service both before and after you left were counted.

- If more than one year elapsed before you returned to work, you became a Participant immediately and your Credited Service and Vesting Service both before and after you left were counted if either of the following conditions applied:
  - you were a vested Participant when you originally left the Company, or
  - you were gone for less than 5 full Plan Years.

If neither of the above conditions applied, you were treated as a new Employee and only your Credited Service and Vesting Service after you returned to work were counted.

If you incurred an absence that began before January 1, 1985, you should contact the Pension Committee for an explanation of your reemployment rights.

Special Rules for Maternity and Paternity Absences

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

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

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

Loss of Benefits Under the Retirement Plan

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

Termination of service

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

Change of Address

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

Non-Assignability of Benefits

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

Qualified Domestic Relations Orders (QDRO)

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

Plan Administration, Amendment and Termination

Plan Administration

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

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

- Determine all questions regarding eligibility to receive benefits under the Plan, and the amount of benefits;

- Interpret and construe all terms, provisions and limitations of the Plan, including without limitation, any and all doubtful, disputed or ambiguous provisions;

- Use agents, assistants, and counsel and such clerical, accounting, actuarial and investment services or advisers as the Committee may require in carrying out its responsibilities;

- Evaluate the compliance by Participants of their respective obligations and responsibilities under the Plan; and

- Establish binding rules for the administration and implementation of the Plan.

Plan Amendment

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

Right of Plan Termination

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

Distributions in Event of Plan Termination

In the event that the Plan is terminated, annuities may be purchased from an insurance company to provide the benefit to which you are entitled. However, small benefits with a value of less than $1,000 may be paid in a lump sum or rollover, as applicable.

Benefits Insured by PBGC

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

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

The PBGC guarantee generally does not cover: (1) benefits greater than the maximum guaranteed amount set by law for the year in which the Plan terminates; (2) some or all of benefit increases and new benefits based on Plan provisions that have been in place for fewer than 5 years at the time the Plan terminates; (3) benefits that are not vested because you have not worked long enough for the Company; (4) benefits for which you have not met all of the requirements at the time the Plan terminates; (5) certain early retirement payments (such as supplemental benefits that stop when you become eligible for Social Security) that result in an early retirement monthly benefit greater than your monthly benefit at the Plan's normal retirement age; and (6) non-pension benefits, such as health insurance, life insurance, certain death benefits, vacation pay, and severance pay.

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

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

Investment of the Retirement Plan Trust Fund

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

Plan Trustee

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

Trust Fund Investments

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

Your Legal Rights Under the Retirement Plan

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

- Receive Information About Your Plan and Benefits

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

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

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

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

- Prudent Actions by Plan Fiduciaries

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

- Enforce Your Rights

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

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

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

- Assistance with Your Questions

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

Retirement Plan Administrative Information

Plan Sponsor	Consolidated Communications, Inc. c/o Human Resources 350 South Loop 336 West Conroe, TX 77304 936-539-7270
Plan Administrator	Consolidated Communications Pension Committee c/o Human Resources 350 South Loop 336 West Conroe, TX 77304 936-539-7270
Plan Name	Consolidated Communications Retirement Plan
Employer Identification Number	02-0636475
Plan Number	001
Plan Trustee	Northern Trust Company 50 South La Salle Street Chicago, IL 60675
Type of Plan	Defined Benefit Pension Plan
Type of Administration	Employer Administered
Agent for Service of Legal Process	Service of legal process should be made on the Plan Administrator at the address shown above. Service of legal process may also be made upon the Plan Trustee at the address shown above.

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