

CENTURYTEL INC

FORM 10-Q (Quarterly Report)

Filed 5/12/2000 For Period Ending 3/31/2000

Address	P O BOX 4065 100 CENTURYTEL DR MONROE, Louisiana 71203
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CIK	0000018926
Industry	Communications Services
Sector	Services
Fiscal Year	12/31

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

For the quarterly period ended March 31, 2000

or

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934

Commission File Number: 1-7784

CENTURYTEL, INC.

(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction of
incorporation or organization)

72-0651161
(I.R.S. Employer
Identification No.)

100 Century Park Drive, Monroe, Louisiana 71203
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (318) 388-9000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

☒ Yes ☐ No

As of April 30, 2000, there were 140,235,231 shares of common stock outstanding.

CENTURYTEL, INC.

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PART I. FINANCIAL INFORMATION

CENTURYTEL, INC. CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

	Three months ended March 31,	
	2000	1999
	(Dollars, except per share amounts, and shares in thousands)	
OPERATING REVENUES		
Telephone	\$ 276,926	288,273
Wireless	100,404	98,562
Other	35,626	27,421
Total operating revenues	412,956	414,256
OPERATING EXPENSES		
Cost of sales and operating expenses	216,723	193,652
Depreciation and amortization	84,811	89,981
Total operating expenses	301,534	283,633
OPERATING INCOME	111,422	130,623
OTHER INCOME (EXPENSE)		
Interest expense	(36,042)	(42,241)
Income (loss) from unconsolidated cellular entities	(1,459)	6,845
Minority interest	(2,292)	(3,310)
Gain on sale of assets	9,910	10,358
Other income and expense	4,229	2,180
Total other income (expense)	(25,654)	(26,168)
INCOME BEFORE INCOME TAX EXPENSE	85,768	104,455
Income tax expense	36,484	43,350
NET INCOME	\$ 49,284	61,105
BASIC EARNINGS PER SHARE	\$.35	.44

DILUTED EARNINGS PER SHARE	\$.35	.43
=====		
DIVIDENDS PER COMMON SHARE	\$.0475	.045
=====		
AVERAGE BASIC SHARES OUTSTANDING	139,737	138,086
=====		
AVERAGE DILUTED SHARES OUTSTANDING	141,728	141,028
=====		

See accompanying notes to consolidated financial statements.

CENTURYTEL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
NET INCOME	\$ 49,284	61,105
=====		
OTHER COMPREHENSIVE INCOME, NET OF TAX:		
Unrealized holding gain (loss) arising during period, net of (\$3,765) and \$1,116 tax	(6,993)	2,073
Reclassification adjustment for gain included in net income, net of \$ - and \$3,625 tax	-	(6,733)
=====		
Other comprehensive income, net of (\$3,765) and (\$2,509) tax	(6,993)	(4,660)
=====		
COMPREHENSIVE INCOME	\$ 42,291	56,445
=====		

See accompanying notes to consolidated financial statements.

CENTURYTEL, INC.
CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2000	December 31, 1999
	(Dollars in thousands)	
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 62,629	56,640
Accounts receivable, less allowance of \$4,185 and \$4,150	208,962	193,057
Materials and supplies, at average cost	26,404	28,769
Other	8,907	7,607
=====		
Total current assets	306,902	286,073
=====		
NET PROPERTY, PLANT AND EQUIPMENT	2,232,390	2,256,458
=====		
INVESTMENTS AND OTHER ASSETS		
Excess cost of net assets acquired, less accumulated amortization of \$174,656 and \$165,327	1,632,171	1,644,884
Other	557,721	517,992
=====		
Total investments and other assets	2,189,892	2,162,876
=====		
TOTAL ASSETS	\$ 4,729,184	4,705,407
=====		
LIABILITIES AND EQUITY		

CURRENT LIABILITIES		
Current maturities of long-term debt	\$ 62,311	62,098
Accounts payable	114,884	78,450
Accrued expenses and other liabilities		
Salaries and benefits	36,360	34,570
Taxes	71,515	40,999
Interest	23,940	37,232
Other	22,794	22,172
Advance billings and customer deposits	34,264	33,656

Total current liabilities	366,068	309,177

LONG-TERM DEBT	1,998,430	2,078,311

DEFERRED CREDITS AND OTHER LIABILITIES	475,321	469,927

STOCKHOLDERS' EQUITY		
Common stock, \$1.00 par value, authorized 350,000,000 shares, issued and outstanding 140,229,175 and 139,945,920 shares	140,229	139,946
Paid-in capital	498,533	493,432
Unrealized holding gain on investments, net of taxes	57,369	64,362
Retained earnings	1,189,509	1,146,967
Unearned ESOP shares	(4,250)	(4,690)
Preferred stock - non-redeemable	7,975	7,975

Total stockholders' equity	1,889,365	1,847,992

TOTAL LIABILITIES AND EQUITY	\$ 4,729,184	4,705,407
=====		

See accompanying notes to consolidated financial statements.

CENTURYTEL, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
COMMON STOCK		
Balance at beginning of period	\$ 139,946	138,083
Conversion of convertible securities into common stock	254	254
Issuance of common stock through dividend reinvestment, incentive and benefit plans	29	935
Balance at end of period	140,229	139,272
PAID-IN CAPITAL		
Balance at beginning of period	493,432	451,535
Conversion of convertible securities into common stock	3,046	3,046
Issuance of common stock through dividend reinvestment, incentive and benefit plans	1,663	9,688
Amortization of unearned compensation and other	392	453
Balance at end of period	498,533	464,722
UNREALIZED HOLDING GAIN ON INVESTMENTS, NET OF TAXES		
Balance at beginning of period	64,362	7,217
Change in unrealized holding gain on investments, net of reclassification adjustment	(6,993)	(4,660)
Balance at end of period	57,369	2,557
RETAINED EARNINGS		
Balance at beginning of period	1,146,967	932,611
Net income	49,284	61,105
Cash dividends declared		
Common stock-\$.0475 and \$.045 per share, respectively	(6,642)	(6,220)
Preferred stock	(100)	(102)

Balance at end of period	1,189,509	987,394

UNEARNED ESOP SHARES		
Balance at beginning of period	(4,690)	(6,070)
Release of ESOP shares	440	440

Balance at end of period	(4,250)	(5,630)

PREFERRED STOCK - NON-REDEEMABLE		
Balance at beginning and end of period	7,975	8,106

TOTAL STOCKHOLDERS' EQUITY	\$ 1,889,365	1,596,421
=====		

See accompanying notes to consolidated financial statements.

CENTURYTEL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
OPERATING ACTIVITIES		
Net income	\$ 49,284	61,105
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	84,811	89,981
Gain on sale of assets	(9,910)	(10,358)
Deferred income taxes	3,231	2,516
(Income) loss from unconsolidated cellular entities	1,459	(6,845)
Minority interest	2,292	3,310
Changes in current assets and current liabilities:		
Accounts receivable	(15,928)	(8,316)
Accounts payable	36,414	(3,068)
Other accrued taxes	30,525	42,394
Other current assets and other current liabilities, net	(8,143)	(10,697)
Increase in other noncurrent assets	(16,222)	(5,408)
Increase in other noncurrent liabilities	4,586	860
Other, net	(2,310)	4,118
Net cash provided by operating activities		
	160,089	159,592
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(58,165)	(63,001)
Purchase of minority investment in other entities	(27,980)	-
Proceeds from sale of assets	15,849	20,056
Purchase of life insurance investment, net	(1,627)	(1,561)
Other, net	(827)	5,409
Net cash used in investing activities		
	(72,750)	(39,097)
FINANCING ACTIVITIES		
Proceeds from issuance of long-term debt	1,079	7,779
Payments of long-term debt	(77,007)	(134,269)
Proceeds from issuance of common stock	1,054	10,434
Cash dividends	(6,742)	(6,322)
Other, net	266	226
Net cash used in financing activities		
	(81,350)	(122,152)
Net increase (decrease) in cash and cash equivalents		
	5,989	(1,657)
Cash and cash equivalents at beginning of period	56,640	5,742

Cash and cash equivalents at end of period	\$	62,629	4,085
=====			
Supplemental cash flow information:			
Income taxes paid	\$	5,146	2,947
=====			
Interest paid (net of capitalized interest of \$741 and \$837)	\$	48,593	55,474
=====			

See accompanying notes to consolidated financial statements.

CENTURYTEL, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2000

(UNAUDITED)

(1) Basis of Financial Reporting

The consolidated financial statements of CenturyTel, Inc. and its subsidiaries (the "Company") include the accounts of CenturyTel, Inc. ("CenturyTel") and its majority-owned subsidiaries and partnerships. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to rules and regulations of the Securities and Exchange Commission; however, the Company believes the disclosures which are made are adequate to make the information presented not misleading. The consolidated financial statements and footnotes included in this Form 10-Q should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1999. Certain 1999 amounts have been reclassified to be consistent with the Company's 2000 presentation, including the reclassification of the Company's personal communication services operations from other operations to the wireless segment and the reclassification of the Company's Internet operations from the telephone segment to other operations.

The unaudited financial information for the three months ended March 31, 2000 and 1999 has not been audited by independent certified public accountants; however, in the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the three-month periods have been included therein. The results of operations for the first three months of the year are not necessarily indicative of the results of operations which might be expected for the entire year.

(2) Net Property, Plant and Equipment

Net property, plant and equipment is composed of the following:

	March 31, 2000	Dec. 31, 1999

	(Dollars in thousands)	
Telephone, at original cost	\$ 3,465,611	3,439,469
Accumulated depreciation	(1,662,093)	(1,605,553)

	1,803,518	1,833,916

Wireless, at cost	468,630	472,725
Accumulated depreciation	(226,057)	(217,056)

	242,573	255,669

Other, at cost	305,367	281,713
Accumulated depreciation	(119,068)	(114,840)

	186,299	166,873

	\$ 2,232,390	2,256,458
=====		

(3) Income (Loss) from Unconsolidated Cellular Entities

The following summarizes the unaudited combined results of operations of the cellular entities in which the Company's investments (as of March 31, 2000 and 1999) were accounted for by the equity method.

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
Results of operations		
Revenues	\$ 357,434	328,540
Operating income	\$ 99,861	108,541
Net income	\$ 99,149	108,394

(4) Sale of Assets

In the first quarter of 2000 the Company recorded a pre-tax gain aggregating \$9.9 million (\$5.2 million after-tax; \$.04 per diluted share) due to the sale of the assets of its remaining Alaska cellular operations.

In the first quarter of 1999 the Company recorded a pre-tax gain aggregating \$10.4 million (\$6.7 million after-tax; \$.04 per diluted share) due to the sale of its remaining common shares of MCIWorldCom, Inc.

(5) Pending Acquisitions

In June 1999, the Company signed a definitive asset purchase agreement with affiliates of GTE Corporation ("GTE") to purchase GTE's telephone access lines (which numbered approximately 225,000 at December 31, 1999) and related local exchange assets in Arkansas for approximately \$845.8 million cash, subject to certain adjustments.

In July 1999, the Company acquired a 61.5% (56.9% fully-diluted) interest in a newly-organized joint venture company which has entered into a definitive asset purchase agreement with affiliates of GTE to purchase telephone access lines (which numbered approximately 121,000 at December 31, 1999) and related local exchange assets in Missouri for approximately \$290 million cash, subject to certain adjustments. The Company has agreed to make a preferred equity investment in the newly organized company of approximately \$55 million and it is anticipated that the Company will loan the new entity approximately \$220 million.

In August 1999, the Company acquired an 89% interest in a newly-organized joint venture company which has entered into a definitive asset purchase agreement with a GTE affiliate to purchase telephone access lines (which numbered approximately 61,700 as of December 31, 1999) and related local exchange assets in Wisconsin for approximately \$170 million cash, subject to certain adjustments. The Company has agreed to make an equity investment in the newly organized company of approximately \$37.8 million and it is anticipated that the Company will loan the new entity approximately \$130 million. In October 1999, the Company also entered into a definitive asset purchase agreement to purchase additional telephone access lines (which numbered approximately 68,200 as of December 31, 1999) and related local exchange assets in Wisconsin from a GTE affiliate for approximately \$195 million cash, subject to certain adjustments.

All of these transactions are expected to close mid-year 2000, pending regulatory approvals, the absence of litigation and certain other closing conditions.

(6) Business Segments

The Company has two separately reportable business segments: telephone and wireless. The operating income of these segments is reviewed by the chief operating decision maker to assess performance and make business decisions. Other operations include, but are not limited to, the Company's non-regulated long distance operations, Internet operations, call center operations and security monitoring operations.

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Telephone	\$ 276,926	288,273
Wireless	100,404	98,562
Other operations	35,626	27,421
Total operating revenues	\$ 412,956	414,256
Operating income		
Telephone	\$ 84,497	94,673
Wireless	19,891	29,653
Other operations	7,034	6,297
Total operating income	\$ 111,422	130,623

=====		
Operating income	\$ 111,422	130,623
Interest expense	(36,042)	(42,241)
Income (loss) from unconsolidated cellular entities	(1,459)	6,845
Minority interest	(2,292)	(3,310)
Gain on sale of assets	9,910	10,358
Other income and expense	4,229	2,180

Income before income tax expense	\$ 85,768	104,455
=====		

	March 31, 2000	December 31, 1999
<hr/>		
	(Dollars in thousands)	
<hr/>		
Assets		
Telephone	\$ 3,223,491	3,246,290
Wireless	1,208,966	1,184,129
Other operations	296,727	274,988
<hr/>		
Total assets	\$ 4,729,184	4,705,407
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CENTURYTEL, INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") included herein should be read in conjunction with MD&A and the other information included in the Company's annual report on Form 10-K for the year ended December 31, 1999. The results of operations for the three months ended March 31, 2000 are not necessarily indicative of the results of operations which might be expected for the entire year.

CenturyTel, Inc. and its subsidiaries (the "Company") is a regional diversified communications company that is primarily engaged in providing local telephone services and wireless telephone communications services. At March 31, 2000, the Company's local exchange telephone subsidiaries operated over 1.2 million telephone access lines primarily in rural, suburban and small urban areas in 20 states, and the Company's majority-owned and operated wireless entities had more than 727,000 subscribers. On May 14, 1999, the Company sold substantially all of its Alaska-based operations serving approximately 134,900 telephone access lines and 3,000 cellular subscribers. On June 1, 1999, the Company sold the assets of its Brownsville and McAllen, Texas cellular operations serving approximately 7,500 cellular subscribers. In February 2000, the Company sold the assets of its remaining Alaska cellular operations serving approximately 10,600 cellular subscribers. The operations of these disposed properties are included in the Company's results of operations up to the respective dates of disposition.

In addition to historical information, management's discussion and analysis includes certain forward-looking statements regarding events and financial trends that may affect the Company's future operating results and financial position. Such forward-looking statements are subject to uncertainties that could cause the Company's actual results to differ materially from such statements. Such uncertainties include but are not limited to: the effects of ongoing deregulation in the telecommunications industry; the effects of greater than anticipated competition in the Company's markets; possible changes in the demand for the Company's products and services; the Company's ability to successfully introduce new offerings on a timely and cost-effective basis; the Company's ability to timely consummate its pending acquisitions and effectively manage its growth, including obtaining adequate financing on attractive terms, integrating newly-acquired properties into the Company's operations, hiring adequate numbers of qualified staff and successfully upgrading its billing and other information systems; the risks inherent in rapid technological change; and the effects of more general factors such as changes in general market or economic conditions or in legislation, regulation or public policy. These and other uncertainties related to the business are described in greater detail in Item 1 to the Company's Annual Report on Form 10-K for the year ended December 31, 1999. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company undertakes no obligation to update any of its forward-looking statements for any reason.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2000 Compared to Three Months Ended March 31, 1999

Net income (excluding after-tax gain on sale of assets and certain non-recurring charges) for the first quarter of 2000 was \$47.9 million compared to \$54.4 million during the first quarter of 1999. Diluted earnings per share (excluding after-tax gain on sale of assets and certain non-recurring charges) decreased to \$.34 during the three months ended March 31, 2000 from \$.39 during the three months ended March 31, 1999, a 12.8% decrease. Substantially all of the non-recurring charges in first quarter 2000 relate to the Company's proportionate share (\$5.3 million) of non-cash charges that were recorded by two cellular entities in which the Company owns a minority interest and is reflected in "Income (loss) from unconsolidated cellular entities."

	Three months ended March 31,	
	2000	1999
	(Dollars, except per share amounts, and shares in thousands)	
Operating income		
Telephone	\$ 84,497	94,673
Wireless	19,891	29,653
Other	7,034	6,297
Interest expense	111,422	130,623
Income (loss) from unconsolidated cellular entities	(36,042)	(42,241)
Minority interest	(1,459)	6,845
Gain on sale of assets	(2,292)	(3,310)
Other income and expense	9,910	10,358
Income tax expense	4,229	2,180
	(36,484)	(43,350)
Net income	\$ 49,284	61,105
Basic earnings per share	\$.35	.44
Diluted earnings per share	\$.35	.43
Average basic shares outstanding	139,737	138,086
Average diluted shares outstanding	141,728	141,028

Contributions to operating revenues and operating income by the Company's telephone, wireless, and other operations for the three months ended March 31, 2000 and 1999 were as follows:

	Three months ended March 31,	
	2000	1999
Operating revenues		
Telephone operations	67.1%	69.6
Wireless operations	24.3%	23.8
Other operations	8.6%	6.6
Operating income		
Telephone operations	75.8%	72.5
Wireless operations	17.9%	22.7
Other operations	6.3%	4.8

Telephone Operations

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Local service	\$ 88,065	90,657
Network access	162,253	167,155
Other	26,608	30,461
	276,926	288,273
Operating expenses		
Plant operations	62,776	63,937
Customer operations	22,761	21,357
Corporate and other	39,532	36,879
Depreciation and amortization	67,360	71,427

	192,429	193,600
Operating income	\$ 84,497	94,673

Telephone operating income decreased \$10.2 million (10.7%) due to a decrease in operating revenues of \$11.3 million (3.9%) which was partially offset by a decrease in operating expenses of \$1.2 million (.6%).

Of the \$11.3 million decrease in operating revenues, \$29.0 million was attributable to the sale of the Company's Alaska based operations. The remaining \$17.7 million increase in revenues was partially due to a \$5.7 million increase in local network service revenues primarily due to an increase in the number of customer access lines in incumbent markets; a \$6.2 million net increase due to the partial recovery of increased operating costs through revenue sharing arrangements with other telephone companies, increased minutes of use, increased recovery from state support funds and return on rate base; a \$4.2 million increase in amounts received from the federal Universal Service Fund; and a \$1.4 million increase due to the increased provision of custom calling features. Annualized internal access line growth during the first quarter of 2000 and 1999 was 2.8% and 5.5%, respectively.

During the first quarter of 2000, the Company incurred aggregate operating expenses of approximately \$6.0 million associated with the pending GTE acquisitions. These expenses consisted of (i) approximately \$3.5 million of absorbed variable overhead costs that were intentionally not eliminated subsequent to the disposition of the Alaska properties due to the pending GTE acquisitions and (ii) approximately \$2.5 million of expenses associated with readying the Company's systems and staff to integrate the GTE operations into the Company's operations immediately upon closing each transaction. During the second quarter of 2000, the Company expects to incur aggregate operating expenses associated with the pending GTE acquisitions that exceed those incurred during the first quarter of 2000.

Plant operations expenses decreased \$1.2 million (1.8%), of which \$8.8 million was attributable to the sale of the Alaska properties. The remaining \$7.6 million increase was primarily due to a \$2.2 million increase in salaries and benefits; a \$2.2 million increase in information technology expenses primarily due to increases in contract labor and a \$1.5 million increase in access expenses primarily due to changes in revenue settlement methods of certain telephone subsidiaries in a limited number of states.

During the first quarter of 2000 customer operations expenses increased \$1.4 million (6.6%) primarily due to a \$1.8 million increase in information technology expenses primarily due to increases in contract labor and a \$1.3 million increase in salaries and benefits. Such increases were partially offset by a \$2.7 million decrease attributable to the sale of the Alaska properties.

Corporate and other expenses increased \$2.7 million (7.2%) primarily due to a \$2.0 million increase in expenses associated with the pending GTE acquisitions; a \$1.7 million increase associated with the Company's sales, leases, installations, maintenance and repair of customer premise telecommunications equipment and wiring; a \$1.3 million increase in salaries and benefits and a \$1.0 million increase in expenses related to implementing new accounting information systems. Such increases were partially offset by a \$2.1 million decrease due to the sale of the Alaska properties and a \$1.7 million decrease in operating taxes.

Depreciation and amortization decreased \$4.1 million, of which \$7.1 million was attributable to the sale of the Alaska properties. The remaining \$3.0 million increase was primarily due to higher levels of plant in service.

Wireless Operations and Income (Loss) From Unconsolidated Cellular Entities

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
Operating income - wireless operations	\$ 19,891	29,653
Minority interest	(2,284)	(3,329)
Income (loss) from unconsolidated cellular entities	(1,459)	6,845
	\$ 16,148	33,169

The Company's wireless operations (discussed below) reflect 100% of the results of operations of the wireless entities in which the Company has a majority ownership interest. The minority interest owners' share of the income of such entities is reflected in the Company's Consolidated Statements of Income as an expense in "Minority interest." See Minority Interest for additional information. The Company's share of earnings from the cellular entities in which it has less than a majority interest is accounted for using the equity method and is reflected in the Company's Consolidated Statements of Income as "Income (loss) from unconsolidated cellular entities."

Wireless Operations

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Service revenues	\$ 96,623	96,061
Equipment sales	3,781	2,501
	100,404	98,562
Operating expenses		
Cost of equipment sold	8,180	4,385
System operations	15,653	13,636
General, administrative and customer service	18,206	19,329
Sales and marketing	22,125	14,120
Depreciation and amortization	16,349	17,439
	80,513	68,909
Operating income	\$ 19,891	29,653

Wireless operating income decreased \$9.8 million (32.9%) to \$19.9 million in the first quarter of 2000 from \$29.7 million in the first quarter of 1999. Wireless operating revenues increased \$1.8 million (1.9%) while operating expenses increased \$11.6 million (16.8%).

The \$562,000 increase in service revenues was primarily due to a \$5.3 million increase due to a growth in number of customers and increased minutes of use, both of which were partially offset by reduced rates. Such increase was substantially offset by a \$5.1 million decrease due to the sale of the Company's Texas and Alaska cellular properties. The Company's roaming revenues were approximately the same in first quarter 2000 and first quarter 1999 as revenues generated from increased minutes of use were completely offset by a reduction in roaming rates.

The following table illustrates the growth in the Company's wireless customer base in its majority-owned markets:

	Three months ended March 31,	
	2000	1999
Customers at beginning of period	707,486	624,290
Gross units added internally	93,001	58,299
Disconnects	62,327	43,353
Net units added internally	30,674	14,946
Net effect of property dispositions	(10,653)	-
Customers at end of period	727,507	639,236

The average monthly service revenue per customer declined to \$45 during the first quarter of 2000 from \$51 during the first quarter of 1999 due to price reductions and the continued trend that a higher percentage of new customers tend to be lower usage customers. A majority of the Company's net unit additions for first quarter 2000 were prepaid customers. The average monthly service revenue per prepaid customer has been and is expected to continue to be less than the average monthly service revenue per contract customer. The average monthly service revenue per customer may further decline (i) as market penetration increases and additional lower usage customers are activated; (ii) as the Company continues to receive pressure from other cellular operators to reduce roaming rates and (iii) as competitive pressures from current and future wireless communications providers intensify. The Company is responding to such competitive pressures by, among other things, modifying certain of its price plans and implementing certain other plans and promotions, most or all of which are likely to result in lower average revenue per customer.

Cost of equipment sold increased \$3.8 million (86.5%) substantially due to an increase in units sold.

System operations expenses increased \$2.0 million (14.8%) primarily due to a \$2.3 million increase associated with operating a greater number of cell sites and a \$438,000 increase in toll costs. Such increases were partially offset by a \$1.1 million decrease in the net amounts paid to other carriers for cellular service provided to the Company's customers who roam in the other carriers' service areas primarily due to a decrease in rates.

General, administrative and customer service expenses decreased \$1.1 million (5.8%) due to a \$753,000 decrease in operating taxes and a \$798,000 decrease due to the sale of the Texas and Alaska properties. Such decreases were partially offset by a \$438,000 increase in the provision for doubtful accounts.

The Company's average monthly postpaid churn rate (the percentage of contract cellular customers that terminate service) was 2.0% for both the first quarter of 2000 and the first quarter of 1999.

Sales and marketing expenses increased \$8.0 million (56.7%) primarily due to a \$4.5 million increase in advertising and sales promotions expenses associated with the introduction of new rate plans during the first quarter of 2000; a \$1.8 million increase in costs incurred in selling products and services in retail locations primarily due to the increase in the number of retail locations; and a \$1.8 million increase in commissions paid to agents for selling services to new customers.

Depreciation and amortization decreased \$1.1 million (6.3%), primarily due to the sale of the Texas and Alaska properties.

Other Operations

	Three months ended March 31,	
	2000	1999
	(Dollars in thousands)	
Operating revenues		
Long distance	\$ 24,827	17,030
Internet	5,012	4,688
Call center	2,090	2,444
Other	3,697	3,259
	35,626	27,421
Operating expenses		
Cost of sales and operating expenses	27,490	20,009
Depreciation and amortization	1,102	1,115
	28,592	21,124
Operating income	\$ 7,034	6,297

Other operations include the results of operations of the Company which are not included in the telephone or wireless segments including, but not limited to, the Company's non-regulated long distance operations, Internet operations, call center operations and security monitoring operations. The \$7.8 million increase in long distance revenues was primarily attributable to the growth in the number of customers and increased minutes of use. The number of long distance customers as of March 31, 2000 and 1999 was 319,100 and 241,900, respectively. Internet revenues increased \$324,000 due primarily to a \$1.8 million increase due to growth in the number of customers which was substantially offset by a \$1.5 million decrease due to the sale of the Company's Alaska Internet operations.

Operating expenses increased \$7.5 million primarily due to (i) an increase of \$6.3 million in expenses of the Company's long distance operations due primarily to the expenses associated with an increase in customers and minutes of use; (ii) a \$1.3 million increase in expenses related to the provision of Internet access; and (iii) a \$627,000 increase due to the expansion of the Company's security monitoring, competitive local exchange carrier and fiber network businesses.

The Company anticipates that the growth of operating income for its other operations will slow in future periods as it incurs increasingly larger expenses in connection with expanding its security monitoring business and its emerging fiber network and competitive local exchange carrier businesses.

Interest Expense

Interest expense decreased \$6.2 million in the first quarter of 2000 compared to the first quarter of 1999 primarily due to a reduction in outstanding debt.

Income (Loss) from Unconsolidated Cellular Entities

Earnings from unconsolidated cellular entities, net of the amortization of associated goodwill, decreased \$8.3 million primarily due to the Company's proportionate share (\$5.3 million) of non-cash charges that were recorded by two cellular entities in which the Company owns a minority interest. The remaining decrease was primarily due to decreased earnings of certain cellular entities in which the Company owns a minority interest.

Minority Interest

Minority interest is the expense recorded by the Company to reflect the minority interest owners' share of the earnings or loss of the Company's majority-owned and operated cellular entities and majority-owned subsidiaries. Minority interest decreased \$1.0 million due to the decreased profitability of the Company's majority-owned and operated cellular entities.

Gain on Sale of Assets

In the first quarter of 2000, the Company recorded a pre-tax gain of approximately \$9.9 million (\$5.2 million after-tax; \$.04 per diluted share due) due to the sale of the assets of its remaining Alaska cellular operations.

In the first quarter of 1999, the Company recorded a pre-tax gain of approximately \$10.4 million (\$6.7 million after-tax; \$.04 per diluted share) due to the sale of its remaining common shares of MCIWorldCom, Inc.

Income Tax Expense

Income tax expense decreased \$6.9 million in the first quarter of 2000 compared to the first quarter of 1999 primarily due to a decrease in income before taxes. The effective income tax rate was 42.5% and 41.5% in the three months ended March 31, 2000 and 1999, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Excluding cash used for acquisitions and strategic investments, the Company relies on cash provided by operations to provide substantially all of its cash needs. The Company's operations have historically provided a stable source of cash flow which has helped the Company continue its long-term program of capital improvements.

Net cash provided by operating activities was \$160.1 million during the first three months of 2000 compared to \$159.6 million during the first three months of 1999. The Company's accompanying consolidated statements of cash flows identify major differences between net income and net cash provided by operating activities for each of these periods. For additional information relating to the telephone operations, wireless operations, and other operations of the Company, see Results of Operations.

Net cash used in investing activities was \$72.8 million and \$39.1 million for the three months ended March 31, 2000 and 1999, respectively. Payments for property, plant and equipment were \$4.8 million less in the first quarter of 2000 than in the comparable period during 1999. Capital expenditures for the three months ended March 31, 2000 were \$29.3 million for telephone, \$3.7 million for wireless and \$25.2 million for other operations. During the first quarter of 2000, the Company invested \$28.0 million in various other communications entities. Proceeds from the sale of assets were \$15.8 million and \$20.1 million for the three months ended March 31, 2000 and 1999, respectively.

Net cash used in financing activities was \$81.4 million during the first three months of 2000 compared to \$122.2 million during the first three months of 1999. Net payments of long-term debt were \$50.6 million less during the first quarter of 2000 compared to the first quarter of 1999.

Revised budgeted capital expenditures for 2000 total \$250 million for telephone operations, \$100 million for wireless operations and \$95 million for other operations.

As of March 31, 2000, CenturyTel's subsidiaries had available for use \$129.5 million of commitments for long-term financing from the Rural Utilities Service and the Company had \$282.0 million of undrawn committed bank lines of credit.

In June 1999, the Company signed a definitive asset purchase agreement to purchase from affiliates of GTE Corporation ("GTE") telephone access lines (which numbered approximately 225,000 at December 31, 1999) and related local exchange assets in Arkansas for approximately \$845.8 million in cash. In July 1999, the Company acquired a 61.5% (56.9% fully diluted) interest in a newly-organized joint venture company which has entered into a definitive asset purchase agreement with affiliates of GTE to purchase telephone access lines (which numbered approximately 121,000 at December 31, 1999) and related local exchange assets in Missouri for approximately \$290 million in cash. At closing, the Company has agreed to make approximately a \$55 million preferred equity investment in the new entity and it is anticipated that the Company will loan the new entity approximately \$220 million.

In August 1999, the Company acquired an 89% interest in a newly-organized joint venture company which has entered into a definitive asset purchase agreement to purchase telephone access lines (which numbered approximately 61,700 as of December 31, 1999) and related local exchange assets in Wisconsin from a GTE affiliate for approximately \$170 million cash. At closing the Company has agreed to make an equity investment in the newly organized company of approximately \$37.8 million and it is anticipated that the Company will loan the new entity approximately \$130 million. In October 1999, the Company also entered into a definitive asset purchase agreement to purchase additional telephone access lines (which numbered approximately 68,200 as of December 31, 1999) and related local exchange assets in Wisconsin from a GTE affiliate for approximately \$195 million cash.

The purchase price under each of these GTE agreements is subject to adjustments which are not expected to be material in the aggregate. These transactions are anticipated to close mid-year 2000, subject to regulatory approvals and certain other closing conditions. Although financing plans are not yet complete and will be dependent upon the Company's review of its alternatives and market conditions, the Company currently anticipates financing the transactions with short-term bank debt, which would be subsequently repaid with the proceeds from the possible sale

of non-strategic assets and the sale of debt or equity securities in one or more private or public offerings. Currently, the Company's senior unsecured debt is rated Baa1 by Moody's and BBB+ by Standard & Poor's. However, as a result of the Company's announcement of its GTE acquisitions, Moody's placed its ratings under review for possible downgrade and Standard & Poor's placed its ratings on CreditWatch with negative implications. There can be no assurance that the Company will maintain its investment grade ratings.

OTHER MATTERS

Accounting for the Effects of Regulation

The Company currently accounts for its regulated telephone operations in accordance with the provisions of Statement of Financial Accounting Standards No. 71 ("SFAS 71"), "Accounting for the Effects of Certain Types of Regulation." While the ongoing applicability of SFAS 71 to the Company's telephone operations is being monitored due to the changing regulatory, competitive and legislative environments, the Company believes that SFAS 71 still applies. However, it is possible that changes in regulation or legislation or anticipated changes in competition or in the demand for regulated services or products could result in the Company's telephone operations not being subject to SFAS 71 in the near future. In that event, implementation of Statement of Financial Accounting Standards No. 101 ("SFAS 101"), "Regulated Enterprises - Accounting for the Discontinuance of Application of FASB Statement No. 71," would require the write-off of previously established regulatory assets and liabilities, along with an adjustment of certain accumulated depreciation accounts to reflect the difference between recorded depreciation and the amount of depreciation that would have been recorded had the Company's telephone operations not been subject to rate regulation. Such discontinuance of the application of SFAS 71 would result in a material, noncash charge against earnings which would be reported as an extraordinary item. While the effect of implementing SFAS 101 cannot be precisely estimated at this time, management believes that the noncash, after-tax, extraordinary charge would be between \$300 million and \$350 million.

CENTURYTEL, INC. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

The Company is not exposed to material future earnings or cash flow exposures from changes in interest rates on long-term debt obligations since the majority of the Company's long-term debt obligations are fixed rate. At March 31, 2000, the fair value of the Company's long-term debt was estimated to be \$2.0 billion based on the overall weighted average rate of the Company's long-term debt of 7.0% and an overall weighted maturity of 12 years compared to terms and rates currently available in long-term financing markets. Market risk is estimated as the potential decrease in fair value of the Company's long-term debt resulting from a hypothetical increase of 70 basis points in interest rates (ten percent of the Company's overall weighted average borrowing rate). Such an increase in interest rates would result in approximately a \$88.5 million decrease in fair value of the Company's long-term debt.

In the first quarter of 2000, the Company entered into interest rate hedge contracts designed to reduce its interest rate risk with respect to \$500 million of the long-term public debt that it expects to incur in connection with financing its pending GTE acquisitions. It is possible that the Company will enter into additional interest rate hedges for the same purpose over the next several months.

PART II. OTHER INFORMATION

CENTURYTEL, INC.

Item 6: Exhibits and Reports on Form 8-K

A. Exhibits

10.1 Employment and Severance Agreements and Arrangements.

(a) Employment Agreement dated May 24, 1993, as amended and restated through February 22, 2000, by and between Clarke M. Williams and Registrant.

(b) Change of Control Agreement, dated February 22, 2000, by and between Glen F. Post, III and Registrant.

(c) Form of Change of Control Agreement, dated February 22, 2000, by and between Registrant and David D.Cole, R. Stewart Ewing, Michael E. Maslowski and Harvey P. Perry.

(d) Restated Supplemental Executive Retirement Plan, dated April 3, 2000.

11 Computations of Earnings Per Share.

27 Financial Data Schedule as of and for the three months ended March 31, 2000.

B. Reports on Form 8-K

(i) The following item was reported in the Form 8-K filed March 7, 2000:

Item 5. Other Events - News release announcing fourth quarter
1999 results of operations.

(ii) The following item was reported in the Form 8-K filed April 28, 2000:

Item 5. Other Events - News release announcing first quarter
2000 results of operations.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CENTURYTEL, INC.

Date: May 12, 2000

/s/ Neil A. Sweasy

Neil A. Sweasy

Vice President and Controller

(Principal Accounting Officer)

Exhibit 10.1(a)

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT (this "Agreement"), dated as of May 24, 1993, as amended and restated through February 22, 2000, by and between CenturyTel, Inc., a Louisiana corporation (the "Company"), and Clarke M. Williams ("Executive").

WITNESSETH:

WHEREAS, as of May 24, 1993, the Company and Executive entered into an employment agreement providing benefits on terms and conditions substantially similar to those set forth herein (the "Original Agreement");

WHEREAS, the Company and Executive amended the Original Agreement by an instrument dated February 27, 1996 to provide Executive with benefits substantially similar to those set forth in Section 5.05(b) hereof;

WHEREAS, the Company and Executive desire to further modify the Original Agreement (as amended on February 27, 1996) to more closely align the severance benefits afforded to Executive hereunder to those afforded to other executive officers of the Company on the date hereof;

WHEREAS, the Company considers the continued services of Executive to be in the best interests of the Company and its shareholders and desires to assure the continued services and undivided loyalty of Executive on behalf of the Company on an objective and impartial basis, free from personal distraction, in the event of an attempt to obtain control of the Company;

WHEREAS, in consideration of the covenants of the Company contained herein, Executive is willing to remain in the employ of the Company upon the terms and conditions specified below; and

WHEREAS, in order to induce Executive to remain in the employ of the Company, this Agreement sets forth the compensation and benefits payable to Executive, including the severance benefits that the Company agrees will be provided to Executive if Executive's employment with the Company is terminated;

NOW, THEREFORE, in consideration of the premises and the respective covenants and agreements of the parties herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. POSITION, DUTIES AND PLACE OF PERFORMANCE

1.1 Employment as Chairman of the Board. Subject to the terms and conditions of this Agreement and applicable law, the Company hereby agrees to continue to employ Executive, and Executive agrees to continue to serve, as the Chairman of the Board of Directors of the Company during the term of this Agreement. Executive shall report to and be subject to the supervision of the Company's Board of Directors (the "Board"), and his powers, authority and duties shall be governed by the Company's Bylaws.

1.2 Duties. (a) Executive shall devote his full business time (with allowances for vacations and sick leave), attention and best efforts to the affairs of the Company, its subsidiaries and Affiliates (as defined in Section 7.02) during the term of this Agreement.

(b) Notwithstanding paragraph (a) above, the Company acknowledges that Executive may, subject to his obligations under Section 1.03 hereof, serve as a director of other corporations and entities and may engage in other activities to the extent that they do not inhibit the performance of his duties hereunder, or conflict with the business of the Company, its subsidiaries or Affiliates.

1.3 Outside Directorships. Executive has reviewed with the Board his directorships and any other positions held by him in business organizations that are not affiliated with the Company, and has received the Board's approval for his continuance in such capacities unless the Board should later determine in a particular case that there has arisen a potential conflict with the Company's best interests. Prior to serving any other unaffiliated business organization, Executive shall obtain the Board's approval. Nonbusiness activities, such as service on the boards or for the benefit of educational, religious or other similar institutions, need not be reviewed or approved by the Board.

1.4 Place of Performance. In connection with Executive's employment by the Company, Executive shall be based at the principal executive offices of the Company in Monroe, Louisiana, except for required travel relating to the Company's business to an extent substantially consistent with Executive's prior business travel practices.

1.5 Other Offices; Indemnification. While employed by the Company, Executive agrees to serve, without additional compensation, if elected or appointed thereto, as a director or executive officer of any of the Company's subsidiaries, provided that Executive is indemnified for serving in any and all such capacities on a basis no less favorable than is currently provided by (i) the Indemnification Agreement, dated May 16, 1988, by and between the Company and Executive (the "Indemnification Agreement"), (ii) the Company's Bylaws or (iii) otherwise.

2. TERM

Unless Executive's employment is terminated at an earlier date under Section 4 or 5, this Agreement shall continue in full force and effect through December 31, 2000 and from year to year thereafter subject to the right of Executive or the Company to terminate this Agreement as of such date or any subsequent December 31 by written notice given to the other party at least 60 days prior to such termination date. Termination of this Agreement by either party in accordance with the preceding sentence shall not require a statement of the reason therefor. All provisions herein governing the parties' rights and obligations upon the termination of Executive's employment shall survive the termination of this Agreement.

3. COMPENSATION AND RELATED MATTERS

In consideration of the services and duties to be performed by Executive during the term of this Agreement, the Company agrees to pay and provide for Executive the compensation and benefits described below:

3.1 Salary. The Company shall pay to Executive a salary at a rate of not less than \$707,616 per annum in equal biweekly installments. This salary may be increased from time to time by the Board, and, if so increased, shall not thereafter be decreased during the term of this Agreement. The salary payable to Executive hereunder as of any particular date shall hereinafter be referred to as the "Annual Base Salary."

3.2 Expenses. Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by Executive in performing services hereunder, including all expenses of travel and living expenses while away from home on business and in the service of the Company, provided that such expenses are incurred and accounted for in accordance with the Company's policies and procedures then in effect.

3.3 Other Benefits. (a) Executive shall be entitled to participate in any employee benefit plans or arrangements the Company makes available now or in the future to its employees, generally, or to any or all of its executive officers, specifically, on the same basis and subject to the same requirements and limitations that are or may be made applicable to other executive officers, including, without limitation, the Company's Stock Bonus Plan, Employee Stock Ownership Plan, Dollars & Sense Plan, Retirement Plan, Supplemental Retirement Plan, Supplemental Executive Retirement Plan, 1983 Restricted Stock Plan, Chairman and Chief Executive Officer Short-Term Incentive Plan, 2000 Incentive Compensation Program, Supplemental Dollars & Sense Plan, Supplemental Defined Contribution Plan, Supplemental Defined Benefit Plan, Salary Continuation (Disability) Plan for Officers, Supplemental Life Insurance Plan, and Medical Reimbursement Plan (and all successors to such plans), or any other pension and retirement plan or arrangement, stock option plan, stock bonus plan, stock ownership plan, incentive compensation plan, life insurance and health-and-accident plan or arrangement, medical insurance plan, disability plan, survivor income plan, relocation plan, vacation plan or other welfare plan (collectively, the "Benefit Plans"). The Company shall not directly or indirectly make any changes in any Benefit Plan that would adversely affect Executive's rights or benefits thereunder, unless such changes do not result in a proportionately greater reduction in the rights of or benefits to Executive compared with any other executive officer of the Company.

(b) Any payments or benefits payable to Executive hereunder in respect of any calendar year during which Executive is employed by the Company for less than the entire year shall, unless otherwise provided in the applicable Benefit Plan, be prorated in accordance with the number of days in such calendar year during which he is so employed.

(c) For each year during the term hereof, the Company shall make available to Executive without charge, for his personal convenience, use of Company aircraft for no fewer than the number of hours per annum to which he has typically used the Company aircraft in prior years or such greater number of hours as may be approved by the Board.

3.4 Vacation. Executive shall be entitled to the number of vacation days in each calendar year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Company's vacation plan. Executive shall also be entitled to all paid holidays the Company confers upon its executives.

3.5 Facilities; Secretarial Assistance. The Company shall furnish Executive with office space, secretarial assistance and such other facilities and services as shall be suitable to Executive's position and adequate for the performance of his duties.

4. TERMINATION OF EMPLOYMENT

4.1 Death. Executive's employment shall terminate upon his death.

4.2 Disability. If a duly qualified physician chosen by the Company and reasonably acceptable to Executive or his legal representatives certifies in writing that Executive is incapable of discharging the essential functions of his job as the Chairman of the Board of Directors for a period of 120 consecutive days because of physical or mental impairment, then Executive shall be deemed disabled and the Company shall have the continuing right and option during the period such disability continues to terminate Executive's employment by providing Executive with a Notice of Termination as contemplated by Section

4.05. Any such termination shall become effective 30 days after such Notice of Termination is given, unless within such 30-day period the physician referred to above certifies in writing that Executive is no longer impaired and is capable of discharging the essential functions of his job.

4.3 With or Without Cause. (a) The Company may terminate Executive's employment with or without Cause. For purposes of this Agreement, the Company shall have "Cause" for (i) the willful and continued failure by Executive to substantially perform his duties hereunder (other than any such failure resulting from Executive's disability as specified in Section 4.02) after demand for substantial performance is delivered by the

Company that specifically identifies the manner in which the Company believes Executive has not substantially performed his duties, (ii) the conviction of a felony or (iii) the adoption by the Company's shareholders at any time prior to a Change of Control of the Company (as defined in Section 4.04(c)) of any resolution removing Executive from the Board or failing to re-elect Executive to the Board during the term of this Agreement (unless such action is preceded by any act of the Board described in Section 4.04(b)(i)).

(b) For purposes of this Section 4.03, no act or failure to act on Executive's part shall be considered "willful" unless done, or omitted to be done, in bad faith and without reasonable belief that his action or omission was in the best interests of the Company. Any act, or failure to act, by Executive that is based upon authority given pursuant to a resolution duly adopted by the Board or based upon the advice of counsel for the Company shall be conclusively presumed to be done, or omitted to be done, by Executive in good faith and in the best interests of the Company. Notwithstanding the foregoing, Executive may not be terminated for Cause without delivery to Executive of a Notice of Termination as contemplated by Section 4.05 setting forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under clause (i), (ii) or (iii) of Section 4.03(a), provided, however, that if clause (i) above forms the basis for such termination, (A) the Company must have delivered to Executive a demand for substantial performance in accordance with clause (i) of Section 4.03(a), (B) the Notice of Termination must be preceded by written notice to Executive (1) specifically identifying the manner in which the Company believes Executive has not substantially performed his duties after the Company's demand for substantial performance and (2) providing an opportunity for Executive, together with his counsel, to be heard before the Board, and (C) the Company must have delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than three- quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose, finding that, in the good faith opinion of the Board, Executive is guilty of the conduct described in clause (i) of Section 4.03(a).

(c) No action or inaction shall be deemed the basis for Cause unless Executive is terminated therefor within 120 days after such action or omission is known to the Chief Executive Officer of the Company.

(d) In the event that the existence of Cause shall become an issue in any action or proceeding between the Company and Executive, the Company shall, notwithstanding the finding of the Board referenced above, have the burden of establishing that the actions or inactions deemed the basis for Cause did in fact occur and do constitute Cause and that the Company has satisfied the procedural requirements of this Section 4.03. The satisfaction of the Company's burden shall require clear and convincing evidence. Any purported termination of employment of Executive by the Company which does not meet each and every substantive and procedural requirement of this Section 4.03 shall be treated for all purposes under this Agreement as a termination of employment without Cause.

4.4 Termination by Executive. (a) Executive may terminate his employment at any time for any reason, including (i) for Good Reason (as defined below) or (ii) in the event of a Change of Control of the Company (as defined below).

(b) For purposes of this Agreement, "Good Reason" shall mean:

(i) the adoption by the Board of any resolution during the term of this Agreement (A) removing Executive from the position of Chairman of the Board of Directors or failing to re-elect Executive to such position or (B) removing Executive as a member of the Board, convening a shareholder meeting for such purpose or failing to make Executive as a nominee or proposed nominee for re-election to the Board upon expiration of his designated term, except in both cases in connection with a termination by the Company of Executive's employment in accordance with the terms and conditions of Section 4.01, 4.02 or 4.03;

(ii) a diminution in Executive's duties, responsibilities or position in the management of the Company and its subsidiaries, including, without limitation, (A) the assignment to Executive of duties or responsibilities that are inconsistent with Executive's position as Chairman of the Board of Directors of the Company, (B) the demotion of Executive, or (C) the failure of the Company to perform its obligations under Section 3.05, which failure continues for a period of 10 days after Executive gives the Company notice thereof;

(iii) the failure by the Company to pay to Executive any installment of his Annual Base Salary or to pay any other amounts owed under this Agreement, which failure continues for a period of 10 days after Executive gives the Company notice thereof;

(iv) the failure by the Company to provide the benefits specified in Section 3.03, unless comparable benefits or compensation are provided in lieu thereof;

(v) any directive requiring Executive to be based anywhere other than Monroe, Louisiana, except for required travel in the ordinary course of the Company's business and consistent with past practices;

(vi) the failure by the Company to obtain the assumption of its obligations under this Agreement by any successor or assign as contemplated by Section 6.01; or

(vii) a failure by the Company to comply with Section 1.02(b), Section 1.03, or any other material provision of this Agreement, which failure continues for a period of 10 days after Executive gives the Company notice thereof.

(c) For purposes of this Agreement, a "Change of Control" of the Company shall mean:

(i) the acquisition by any Person (as defined in

Section 7.02) of Beneficial Ownership (as defined in Section 7.02) of 30% or more of the outstanding shares of the Company's Common Stock, \$1.00 par value per share (the "Common Stock"), or 30% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this clause (i), the following acquisitions shall not constitute a Change of Control:

(A) any acquisition (other than a Business Combination which constitutes a Change of Control under Section 4.04(c)(iii) hereof) of Common Stock directly from the Company,

(B) any acquisition of Common Stock by the Company or its subsidiaries,

(C) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or

(D) any acquisition of Common Stock by any corporation pursuant to a Business Combination that does not constitute a Change of Control under Section 4.04(c)(iii) hereof; or

(ii) individuals who, as of February 22, 2000, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to such date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board; or

(iii) consummation of a reorganization, share exchange, merger or consolidation (including any such transaction involving any direct or indirect subsidiary of the Company), or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination,

(A) the individuals and entities who were the Beneficial Owners of the Company's outstanding common stock and the Company's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect Beneficial Ownership, respectively, of more than 50% of the then outstanding shares of common stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the Post-Transaction Corporation (as defined in Section 7.02), and

(B) except to the extent that such ownership existed prior to the Business Combination, no Person (excluding the Post-Transaction Corporation and any employee benefit plan or related trust of either the Company, the Post-Transaction Corporation or any subsidiary of either corporation) Beneficially Owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or 20% or more of the combined voting power of the then outstanding voting securities of such corporation, and

(C) at least a majority of the members of the board of directors of the Post-Transaction Corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(iv) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

4.5 Notice of Termination. Any termination of Executive's employment by the Company or by Executive (other than termination pursuant to Section 4.01) shall be communicated by written Notice of Termination delivered to the other party hereto as provided in Section 7.03. For purposes of this Agreement, a "Notice of Termination" shall mean a notice that shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. Except as expressly set forth in Section 4.03, the failure by Executive or the Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause, Disability or Good Reason shall not waive any right of Executive or the Company, respectively, hereunder or preclude Executive or the Company, respectively, from asserting such fact or circumstance in enforcing Executive's or the Company's rights hereunder.

4.6 Date of Termination. For purposes of this Agreement, "Date of Termination" shall mean (i) if Executive's employment is terminated by his death, the date of his death; (ii) if Executive's employment is terminated pursuant to Section 4.02, 30 days after Notice of Termination is given (unless, as provided in Section 4.02, Executive is certified to have successfully resumed performing his duties on a full-time basis during such 30-day period) and (iii) if Executive's employment is terminated pursuant to Sections 4.03 or 4.04, the date specified in the Notice of Termination (which shall not be more than 30 days after the date such notice is given); provided that if, within 30 days after any Notice of Termination is given, a dispute exists concerning the termination, the Date of Termination shall be the date on which the dispute is finally determined, either by mutual written agreement of the parties or by a final and nonappealable judgment, order or decree of a court of competent jurisdiction.

5. COMPENSATION UPON TERMINATION OR DURING DISABILITY

5.1 Death. If Executive's employment is terminated by his death, in addition to all other death benefits provided by the Company, the Company shall pay to Executive's spouse or, if he leaves no spouse, to his estate, in a lump sum in cash within 30 days of the Date of Termination the sum of the pro rata amount of Executive's Annual Base Salary earned through the Date of Termination to the extent due but not paid and any compensation previously deferred by Executive (together with any accrued interest thereon) and any accrued vacation pay, in each case to the extent not previously paid (collectively, "Accrued Obligations"). The Company shall also timely pay or provide to such person any other amounts or compensation required to be furnished to Executive under any Benefit Plan ("Other Benefits").

5.2 Disability. During any period that Executive is deemed to be disabled under Section 4.02 ("disability period"), Executive shall continue to receive his full Annual Base Salary at the rate then in effect for such period until his employment is terminated pursuant to Section 4.02, provided that payments so made to Executive shall be reduced by the sum of the amounts, if any, payable to Executive under disability benefit plans of the Company. Upon termination of Executive's employment under Section 4.02, the Company shall pay to Executive in a lump sum in cash within 30 days of the Date of Termination all Accrued Obligations and shall timely furnish to Executive all Other Benefits.

5.3 Terminations for Cause or Resignations Without Good Reason. If Executive's employment shall be terminated for Cause by the Company, or voluntarily terminated by Executive other than for Good Reason, this Agreement shall terminate without further obligation to Executive other than for Accrued Obligations, which shall be paid in a lump sum in cash within 30 days of the Date of Termination, and for Other Benefits, which the Company shall timely furnish to Executive.

5.4 Terminations other than Death, Disability or Cause; Good Reason; Change of Control. If during the term of this Agreement (i) the Company or any of its Affiliates shall terminate Executive's employment, other than for death, disability or Cause, or (ii) Executive shall terminate his employment for Good Reason or following a Change in Control of the Company, then, subject to Section 5.05(b),

(a) the Company shall pay to Executive in a lump sum in cash within five business days of the Date of Termination an amount equal to three times the sum of (i) the Executive's Annual Base Salary, plus (ii) the greater of (x) the average of the annual bonuses paid or to be paid to Executive with respect to the immediately preceding three fiscal years or (y) the target bonus (cash and stock) for which Executive is eligible for the fiscal year in which the Date of Termination occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus; provided, however, that, if Executive has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to the fiscal year in which termination occurs, such lump sum payment shall be reduced by an amount equal to such percentage times the bonus component of the lump sum payment (which reduction amount shall be deferred in accordance with such election);

(b) the Company shall pay to Executive in a lump sum in cash within five business days of the Date of Termination an amount calculated by multiplying the annual bonus that Executive would have earned with respect to the entire fiscal year in which termination occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus, by the fraction obtained by dividing the number of days in such year through the Date of Termination by 365; provided, however, that, if Executive has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to the fiscal year in which termination occurs, such lump sum payment shall be reduced by an amount equal to such percentage times the lump sum payment (which reduction amount shall be deferred in accordance with such election);

(c) if, at the Date of Termination, the Company shall not yet have paid to Executive (or deferred in accordance with any effective deferral election by Executive) an annual bonus with respect to a fully completed fiscal year, the Company shall pay to Executive in a lump sum in cash within five business days of the Date of Termination an amount determined as follows: (i) if the Board (acting directly or indirectly through any committee or subcommittee) shall have already determined the amount of such annual bonus, such amount shall be paid, and (ii) if the Board shall not have already determined the amount of such annual bonus, the amount shall be equal to the annual bonus that Executive would have earned with respect to such completed fiscal year, based solely upon the actual level of achievement of the objective performance goals established with respect to such bonus and assuming the achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus; provided, however, that, if Executive has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to such completed fiscal year, such lump sum payment shall be reduced by an amount equal to such percentage times the lump sum payment (which reduction amount shall be deferred in accordance with such election); provided, further, that any payment under this paragraph (c) (or any payment under any other provision of this Agreement calculated by reference to prior or target bonus amounts) shall be payable notwithstanding any provision to the contrary set forth in any bonus plan or program of the Company;

(d) for a period of three years following the Date of Termination, or such longer period as may be provided by the terms of the appropriate Benefit Plan (the "Continuation Period"), the Company shall at its expense maintain and administer for the continued benefit of Executive all Benefit Plans in which Executive was entitled to participate as an employee of the Company at any time during the one-year period prior to the Date of Termination, provided that Executive's continued participation is possible under the general terms and provisions of such plans and all applicable laws. The coverage and benefits (including deductibles and costs) provided under any such Benefit Plan in accordance with this Section 5.04(d) during the Continuation Period shall be no less favorable to Executive and his dependents and beneficiaries than the most favorable of such coverages and benefits during the one-year period prior to the Date of Termination; provided, however, in the event of the disability of Executive during the Continuation Period, disability benefits shall, to the maximum extent possible, not be paid for the Continuation Period but shall instead commence immediately following the end of the Continuation Period. If Executive's participation in any such Benefit Plan is barred or any such Benefit Plan is terminated, the Company shall arrange to provide Executive with compensation or benefits substantially similar or comparable in value to those Executive would otherwise have been entitled to receive under such plans. At the

end of the Continuation Period, Executive shall have the option to have assigned to him, at no cost and with no apportionment of prepaid premiums, any assignable insurance owned by the Company that relates specifically to Executive. To the maximum extent permitted by law, Executive will be eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") at the end of the Continuation Period or earlier cessation of the Company's obligation under the foregoing provisions of this Section 5.04(d) (or, if Executive shall not be so eligible for any reason, the Company will provide equivalent coverage);

(e) for a period of one year following the Date of Termination, the Company shall make available to Executive without charge, for his personal convenience, use of Company aircraft or aircraft of a comparable make and model as used by the Company on the Date of Termination for that number of annual flight hours permitted to Executive immediately prior to such date;

(f) upon Executive's written request, the Company at its cost shall provide to Executive outplacement assistance by a reputable firm specializing in such services for the period beginning with the termination of employment and ending upon the lapse of the term of this Agreement;

(g) the Company shall pay or provide to Executive all Accrued Obligations and Other Benefits; and

(h) the Company shall discharge its obligations under all other applicable sections of this Agreement, including Sections 5.05(a), (b), (c) and (d) and 7.16.

The payments and benefits provided in this Section 5.04, Section 5.05 and under all of the Company's employee benefit and compensation plans shall be without regard to any plan amendment made after any Change of Control that adversely affects in any manner the computation of payments and benefits due Executive under such plan or the time or manner of payment of such payments and benefits. After a Change of Control no discretionary power of the Board or any committee thereof shall be used in a way (and no ambiguity in any such plan shall be construed in a way) which adversely affects in any manner any right or benefit of Executive under any such plan. If Executive becomes entitled to receive benefits under this Section 5.04, the Company shall not be required to make any cash severance payment to Executive under any other severance or salary continuation policy, plan, agreement or arrangement in favor of other officers or employees of the Company or its Affiliates unless such other policy, plan, agreement or arrangement expressly provides to the contrary in a provision that specifically states that it is intended to override the limitation of this sentence.

5.5 Other Change of Control Benefits.

(a) Stock Options and Other Incentives. The foregoing benefits provided for in Section 5.04 or this Section 5.05 are intended to be in addition to the value or benefit of any stock options, restricted stock, performance shares or similar awards, the exercisability, vesting or payment of which is accelerated or otherwise enhanced upon a Change of Control pursuant to the terms of any stock option, incentive or other similar plan or agreement heretofore or hereafter adopted by the Company or the Post-Transaction Corporation; provided, however, that, upon any termination of Executive other than for Cause within three years following a Change of Control, all of Executive's then-outstanding vested stock options, whether granted before or during the term of this Agreement, shall remain exercisable until the later of the 190th day after the Date of Termination or the end of the exercise period provided for in the applicable option agreement or plan as then in effect, but in no event shall such exercise period continue after the date on which such options would have expired if Executive had remained an employee of the Company, the Post-Transaction Corporation or one of their respective Affiliates.

(b) Excise Tax Payments. (i) Notwithstanding any other provisions of this Agreement, if a Change of Control occurs during the original or extended term of this Agreement, in the event that any payment or benefit received or to be received by Executive in connection with the Change of Control or the termination of Executive's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in the Change of Control or any Person affiliated with the Company or such Person) (all such payments and benefits, including without limitation the payments and benefits under Sections 5.04, 5.05(a), (c) and (d) and 7.16 hereof, being hereinafter called "Payments") would be subject (in whole or in part) to an excise tax imposed by section 4999 of the Internal Revenue Code of 1986, as amended from time to time (the "Code"), or any interest or penalties are incurred by Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company shall pay to Executive at the time specified in clause (iv) below an additional amount (the "Gross-up Payment") such that the net amount retained by Executive, after deduction of any Excise Tax on the Payments and all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation any federal, state and local income or payroll tax and any Excise Tax, imposed upon the Gross-up Payment provided for by this clause (i), but before deduction of any federal, state and local income or payroll tax on the Payments, shall be equal to the Payments.

(ii) For purposes of determining whether any of the Payments and the Gross-up Payment (collectively, the "Total Payments") will be subject to the Excise Tax and the amount of such Excise Tax, (A) the Total Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) shall be treated as subject to the Excise Tax, except to the extent that in the opinion of tax counsel selected by the Company's independent auditors ("Auditors") and reasonably acceptable to Executive ("Tax Counsel") such Total Payments (in whole or in part) do not constitute "parachute payments", or such "excess parachute payments" (in whole or in part) are not subject to the Excise Tax and (B) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code. The Auditors shall perform the calculations in conformance with the foregoing provisions and within 15 business days of the date that any Payments are made under this Agreement shall provide Executive with a detailed written statement setting forth the manner in which the Total Payments are calculated and the basis for such calculations, including without limitation any opinions or other advice the Company has received from Tax

Counsel, the Auditors or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

(iii) For purposes of determining the amount of the Gross-up Payment, Executive shall be deemed to pay federal income taxes at the highest marginal rates of federal income taxation applicable to individuals in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of Executive's residence in the calendar year in which the Gross-up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes, taking into account any limitations applicable to individuals subject to federal income tax at the highest marginal rates.

(iv) The initial Gross-up Payment, if any, as determined pursuant to this Section 5.05(b), shall be paid to Executive within five days of the receipt of the Auditors' determination. If the Auditors determine that no Excise Tax is payable by Executive, the Company shall cause the Auditors to furnish Executive with an opinion that failure to report any Excise Tax on Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty.

(v) If it is established pursuant to a final determination of a court or Internal Revenue Service proceeding or the written opinion of Tax Counsel that the Excise Tax is less than the amount taken into account hereunder at the time the Gross-up Payment is made, Executive shall repay to the Company within 30 days of Executive's receipt of notice of such final determination or opinion the portion of the Gross-up Payment attributable to such reduction (plus the portion of the Gross-up Payment attributable to the Excise Tax, federal, state and local income tax and Excise Tax imposed on the portion of the Gross-up Payment being repaid by Executive if such repayment results in a reduction of Excise Tax or federal, state and local income tax), plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. Notwithstanding the foregoing, in the event any portion of the Gross-up Payment to be refunded to the Company has been paid to any federal, state and local tax authority, the payment thereof (and related amounts) shall not be required until actual refund or credit of such portion has been made to Executive, and interest payable to the Company shall not exceed the interest received or credited to Executive by such tax authority for the period that it held such portion. Executive and the Company shall endeavor to mutually agree upon the course of action to be pursued (and the method of allocating the expense thereof) if Executive's claim for refund or credit is denied. If it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding or the written opinion of Tax Counsel that the Excise Tax exceeds the amount taken into account hereunder at the time the Gross-up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-up Payment), the Company shall make an additional Gross-up Payment in respect of such excess (plus any interest or penalties payable with respect to such excess), as determined by the Auditors, within 30 days of the Company's receipt of notice of such final determination or opinion.

(vi) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, Executive shall permit the Company to control issues relating to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect Executive, but Executive shall control any other issues. In the event that the issues are interrelated, Executive and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue, but if the parties cannot agree, Executive shall make the final determination with regard to the issues. In the event of any conference with any taxing authority as to the Excise Tax or associated income taxes, Executive shall permit a representative of the Company to accompany Executive, and Executive and Executive's representative shall cooperate with the Company and its representative. The Company and Executive shall promptly deliver to each other copies of any written communications, and summaries of any verbal communications, with any taxing authority regarding the Excise Tax covered by this Section 5.05(b).

(vii) The Company shall be responsible for all charges of the Tax Counsel and the Auditors.

(viii) Notwithstanding any other provision in this Agreement to the contrary, if it is determined by the Auditors that the gross-up provisions in this Section 5.05(b) as they relate to the accelerated vesting of nonqualified stock options or restricted stock issued by the Company would be the sole reason precluding the use by the Company of the pooling of interests method of accounting, then the tax gross-up provisions of this Section 5.05(b) shall not apply to such nonqualified stock options or restricted stock as the case may be, unless the Gross-up Payment can be altered, modified or delayed to allow it to be paid without precluding the use of the pooling of interest method of accounting. The Company will use its best efforts to alter, modify, or delay the payment so that the Gross-up Payment can be made.

(c) Indemnification. If, in connection with any agreement related to a transaction that will result in a Change of Control of the Company, an undertaking is made to provide the Board with rights to indemnification from the Company (or from any other party to such agreement), Executive shall, by virtue of this Agreement, be entitled to the same rights to indemnification as are provided to the Board pursuant to such agreement. Otherwise, Executive shall be entitled to indemnification rights on terms no less favorable to Executive than those available under any Company indemnification agreements or the articles of incorporation, bylaws or resolutions of the Company at any time after the Change of Control to his peer employees of the Company. Such indemnification rights shall be with respect to all claims, actions, suits or proceedings to which Executive is or is threatened to be made a party that arise out of or are connected to his services at any time prior to the termination of his employment, without regard to whether such claims, actions, suits or proceedings are made, asserted or arise during or after the term of this Agreement.

(d) Directors and Officers Insurance. If, in connection with any agreement related to a transaction that will result in a Change of Control of the Company, an undertaking is made to provide the Board with continued coverage following the Change of Control under one or more directors and officers liability insurance policies, then Executive shall, by virtue of this Agreement, be entitled to the same rights to continued coverage under such directors and officers liability insurance policies as are provided to the Board, and the Company shall take any steps necessary to give effect to this provision.

5.6 Benefit Plans and Other Agreements. Except to the extent otherwise provided in the Other Agreements (defined below) and except to the extent expressly provided to the contrary in Section 5.05(a), the termination of this Agreement (either under Section 4 or 5 or upon expiration of the term of this Agreement under Section 2) shall not terminate, modify or otherwise affect any of Executive's rights arising under or in connection with any Benefit Plans, the Indemnification Agreement, or any other agreements or instruments issued or delivered in accordance with any Benefit Plans prior to or after the date hereof. The plans, agreements and other instruments referred to in this Section 5.06 are referred to collectively as the "Other Agreements."

5.7 Set Off; No Mitigation. The obligations of the Company and its Affiliates to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company or its Affiliates may have against Executive or others. It is the intent of this Agreement that in no event shall Executive be obligated to seek other employment or take any other action to mitigate the amounts or benefits payable to Executive under any of the provisions of this Agreement.

5.08 Certain Pre-Change-of-Control Terminations. Notwithstanding any other provision of this Agreement, Executive's employment shall be deemed to have been terminated by Executive following a Change of Control pursuant to Section 5.04 (and Executive shall be entitled to receive all payments and benefits associated therewith) if the Agreement is terminated by the Company in accordance with Section 2 (whether or not a Change of Control actually occurs) and such termination (i) was at the request or direction of a third party who has taken steps designed to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control or (ii) occurred after discussions with a third party regarding a possible Change of Control transaction commenced and such discussions produced (whether before or after such termination) either a preliminary or definitive agreement with respect to such a transaction or a public announcement of the pending transaction (whether or not a Change of Control actually occurs). If Executive takes the position that the foregoing sentence applies and the Company disagrees, the Company shall have the burden of proof in any such dispute.

6. SUCCESSORS; ASSIGNMENT

6.1 Successors. (a) This Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by Executive's personal or legal representative, executors, administrators, successors, heirs and legatees. If Executive should die while any amounts would still be payable to him hereunder had he continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to Executive's heirs and legatees or Executive's estate, as appropriate.

(b) This Agreement shall be binding upon and inure to the benefit of the Company and any of its successors or assigns. In addition, the Company shall require any successor or assign (whether direct or indirect, by purchase of all or substantially all of the Company's assets or capital stock, share exchange, merger, consolidation or otherwise) to (i) assume unconditionally and expressly this Agreement and (ii) agree to perform or cause to be performed all of the obligations under this Agreement in the same manner and to the same extent as would have been required of the Company had no assignment or succession occurred, such assumption to be set forth in writing reasonably satisfactory to Executive. In the event of any such assignment or succession, the term "Company" as used in this Agreement shall refer also to such successor or assign.

(c) The Company shall also require all entities that control or that after the transaction will control (directly or indirectly) the Company or any such successor or assign to agree to cause to be performed all of the obligations under this Agreement, such agreement to be set forth in a writing reasonably satisfactory to Executive.

(d) The obligations of the Company and Executive which by their nature may require either partial or total performance after the expiration of the term of the Agreement shall survive such expiration.

6.02 Assignment by Executive. Without the consent of the Company, neither this Agreement nor any of its benefits may be assigned by Executive other than such rights or benefits as are transferred by will or the laws of descent and distribution.

7. MISCELLANEOUS

7.1 Status of Other Employment Agreements. Notwithstanding any provisions thereof, this Agreement supersedes any and all prior agreements between the Company and Executive that provide for the employment of Executive or severance benefits in the event of a Change of Control of the Company, as defined therein.

7.2 Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "Affiliate" (and variants thereof) shall mean a Person that controls, or is controlled by, or is under common control with, another specified Person, either directly or indirectly.

(b) "Beneficial Owner" (and variants thereof), with respect to a security, shall mean a Person who, directly or indirectly (through any contract, understanding, relationship or otherwise), has or shares (i) the power to vote, or direct the voting of, the security, or (ii) the power to dispose of, or direct the disposition of, the security.

(c) "Person" shall mean a natural person or entity, and shall also mean the group or syndicate created when two or more Persons act as a

syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of acquiring, holding, or disposing of a security, except that "Person" shall not include an underwriter temporarily holding a security pursuant to an offering of the security.

(d) Unless a Change of Control results from a Business Combination (as defined in Section 4.04(c)(iii) hereof), "Post-Transaction Corporation" shall mean the Company after the Change of Control. If a Change of Control results from a Business Combination, "Post-Transaction Corporation" shall mean the corporation or other entity resulting from the Business Combination unless, as a result of such Business Combination, an ultimate parent corporation controls such resulting entity, the Company or all or substantially all of the Company's assets either directly or indirectly, in which case "Post-Transaction Corporation" shall mean such ultimate parent corporation.

7.3 Notice. Any notice permitted or required to be deemed under this Agreement by one party shall be in writing and shall be delivered by hand, overnight delivery service or U.S. registered or certified mail, postage prepaid with return receipt requested, to the other party at the address set forth opposite such party's name on the signature page hereof until notice of a change in address is delivered as provided in this Section 7.03. Notices shall be deemed to be given, in the case of (i) by hand delivery, upon receipt; (ii) overnight delivery service, on the business day after timely delivery to a recognized overnight delivery service; and (iii) U.S. mail, upon the third business day after deposit with the U.S. mail.

7.4 Waiver. Except as expressly provided herein to the contrary, the failure by any party to enforce any of its rights hereunder shall not be deemed to be a waiver of such rights, unless such waiver is an express written waiver. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

7.5 Withholding. Executive agrees that the Company has the right to withhold, from the amounts payable pursuant to this Agreement, all amounts required to be withheld under applicable income or employment tax laws, or as otherwise stated in documents granting rights that are affected by this Agreement.

7.6 Entire Agreement. Except for the rights and obligations of the parties under the Other Agreements, this Agreement sets forth the entire understanding and agreement between the parties hereto with respect to Executive's employment by the Company.

7.7 Choice of Law. This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Louisiana without regard to principles of conflict of laws.

7.8 Amendment. The parties may amend this Agreement only by a written instrument signed by both parties.

7.9 Severability. If any term or provision of this Agreement, or the application thereof to any Person or circumstance, shall at any time or to any extent be invalid, illegal or unenforceable in any respect as written, Executive and the Company intend for any court construing this Agreement to modify or limit such provision so as to render it valid and enforceable to the fullest extent allowed by law. Any such provision that is not susceptible of such reformation shall be ignored so as to not affect any other term or provision hereof, and the remainder of this Agreement, or the application of such term or provision to Persons or circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected thereby and shall be valid and enforced to the fullest extent permitted by law.

7.10 Remedies Not Exclusive. No remedy specified herein shall be deemed to be such party's exclusive remedy, and accordingly, in addition to all of the rights and remedies provided for in this Agreement, the parties shall have all other rights and remedies provided to them by applicable law, rule or regulation, including without limitation the right to claim interest with respect to any payment not timely made hereunder.

7.11 Non-exclusivity of Rights. Nothing in this Agreement shall prevent or limit Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliates and for which Executive may qualify, nor shall anything herein limit or otherwise restrict such rights as Executive may have under any contract or agreement with the Company or any of its Affiliates. Executive shall not be obligated to furnish a release of any rights or claims against the Company or its Affiliates as a condition of receiving benefits hereunder.

7.12 Confidentiality. Upon receipt of the payments or benefits contemplated by Sections 5.04 or 5.05 hereof, Executive agrees to refrain for a period of three years from divulging any non-public, confidential or proprietary information concerning the Company or its Affiliates to any Person other than the Company, its Affiliates or their respective officers, directors or advisors, provided that this obligation shall lapse prior to the end of such three-year period with respect to any information that (i) is or becomes generally available to the public other than as a result of a breach of this

Section 7.12, (ii) is or becomes available to Executive on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known by Executive to have violated any confidentiality agreement with the Company in connection with such disclosure, or (iii) is acquired or developed independently by Executive without violating this Section 7.12.

7.13 Demand for Benefits. Unless otherwise provided herein, the payment or payments due hereunder shall be paid to Executive without the need for demand, and to a beneficiary upon the receipt of the beneficiary's address and social security number. Nevertheless, Executive or a Person claiming to be a beneficiary who claims entitlement to a benefit can file a claim for benefits hereunder with the Company. Unless otherwise provided herein, the Company shall accept or reject the claim within five business days of its receipt. If the claim is denied, the Company shall give the reason for denial in a written notice that refers to the provision of this Agreement that forms the basis of the denial. If any additional information or material is necessary to perfect the claim, the Company will identify these items in writing and explain why such

additional information is necessary.

7.14 Authority. The Company represents and warrants that (i) the amendment and restatement of this Agreement was duly authorized by the Shareholder Relations Committee of the Board and the Compensation Committee of the Board on February 21, 2000 and by the Board on February 22, 2000, and (ii) no other corporate proceedings are necessary to authorize the Company's execution, delivery and performance of this Agreement.

7.15 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7.16 Expenses. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and other expenses (including expert witness and accounting fees) which Executive may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, Executive or others of the validity or enforceability of, or liability under, any provision of this Agreement (including as a result of any contest by Executive about the amount or timing of any payment pursuant to this Agreement) or which Executive may reasonably incur in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date and year first above written.

*CenturyTel, Inc.
100 Century Park Drive
Monroe, Louisiana 71203*

Attention: Glen F. Post, III

*Clarke M. Williams
P.O. Box 190
Oak Ridge, Louisiana 71264*

CENTURYTEL, INC.

By: /s/ Glen F. Post III

*Glen F. Post III,
Vice Chairman of the Board,
President and Chief Executive Officer*

/s/ Clarke M. Williams

Clarke M. Williams

Exhibit 10.1(b)

CHANGE OF CONTROL AGREEMENT

CHANGE OF CONTROL AGREEMENT (this "Agreement"), dated effective as of February 22, 2000 (the "Agreement Date"), between CenturyTel, Inc., a Louisiana corporation (the "Company"), and Glen F. Post, III (the "Employee").

WITNESSETH:

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to take steps designed to retain the services of the Employee and to assure the full dedication of the Employee, free from personal distraction, in the event of an actual or pending change of control of the Company; and

WHEREAS, the Board believes that this agreement accomplishes these and other related objectives;

NOW, THEREFORE, the parties agree as follows:

**ARTICLE I
CERTAIN DEFINITIONS**

I.1 Affiliate. "Affiliate" (and variants thereof) shall mean a Person that controls, or is controlled by, or is under common control with, another specified Person, either directly or indirectly.

I.2 Beneficial Owner. "Beneficial Owner" (and variants thereof), with respect to a security, shall mean a Person who, directly or indirectly (through any contract, understanding, relationship or otherwise), has or shares
(i) the power to vote, or direct the voting of, the security, or (ii) the power to dispose of, or direct the disposition of, the security.

I.3 Cause. (a) "Cause" shall mean:

(i) conviction of a felony;

(ii) habitual intoxication during working hours;

(iii) habitual abuse of or addiction to a controlled dangerous substance; or

(iv) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Company or its Affiliates (other than any such failure resulting from incapacity due to physical or mental illness or the Employee's termination of employment for Good Reason) for a period of 15 days after a written demand for substantial performance is delivered to the Employee by the Board which specifically identifies the manner in which the Board believes that the Employee has not substantially performed the Employee's duties.

(b) For purposes of this Section 1.3, no act or failure to act on the part of the Employee shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith and without reasonable belief that the Employee's action or omission was in the best interests of the Company or its Affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of a senior officer of the Company or based upon the advice of counsel for the Company or its Affiliates shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company or its Affiliates. Any termination by the Company or any of its Affiliates of the Employee's employment during the Employment Term (as defined in Section 1.8) shall not be deemed to be for Cause unless the Employee's action or inaction meets the foregoing standard and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (a) above, and specifying the particulars thereof in detail.

(c) No action or inaction shall be deemed the basis for Cause unless the Employee is terminated therefor within 120 days after such action or omission is known to the Chairman of any committee of the Board.

(d) In the event that the existence of Cause shall become an issue in any action or proceeding between the Company and the Employee, the Company shall, notwithstanding the finding of the Board referenced above, have the burden of establishing that the actions or inactions deemed the basis for Cause did in fact occur and do constitute Cause and that the Company has satisfied the procedural requirements of this provision. The satisfaction of the Company's burden shall require clear and convincing evidence. Any purported termination of employment of the Employee by the Company which does not meet each and every substantive and procedural requirement of this provision shall be treated for all purposes under this Agreement as a termination of employment without Cause.

I.4 Change of Control. "Change of Control" shall mean:

(a) the acquisition by any Person of Beneficial Ownership of 30% or more of the outstanding shares of the Company's Common Stock, \$1.00 par value per share (the "Common Stock"), or 30% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control:

(i) any acquisition (other than a Business Combination which constitutes a Change of Control under Section 1.4(c) hereof) of Common Stock directly from the Company,

(ii) any acquisition of Common Stock by the Company or its subsidiaries,

(iii) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or

(iv) any acquisition of Common Stock by any corporation pursuant to a Business Combination that does not constitute a Change of Control under Section 1.4(c) hereof; or

(b) individuals who, as of the Agreement Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Agreement Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board; or

(c) consummation of a reorganization, share exchange, merger or consolidation (including any such transaction involving any direct or indirect subsidiary of the Company), or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination,

(i) the individuals and entities who were the Beneficial Owners of the Company's outstanding common stock and the Company's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect Beneficial Ownership, respectively, of more than 50% of the then outstanding shares of common stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the Post-Transaction Corporation (as defined in Section 1.11 hereof), and

(ii) except to the extent that such ownership existed prior to the Business Combination, no Person (excluding the Post-Transaction Corporation and any employee benefit plan or related trust of either the Company, the Post-Transaction Corporation or any subsidiary of either corporation) Beneficially Owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or 20% or more of the combined voting power of the then outstanding voting securities of such corporation, and

(iii) at least a majority of the members of the board of directors of the Post-Transaction Corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

I.5 Code. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

I.6 Company. "Company" shall mean CenturyTel, Inc. and shall include any successor to or assignee of (whether direct or indirect, by purchase, share exchange, merger, consolidation or otherwise) all or substantially all of the assets or business of the Company that assumes and agrees to perform this Agreement by operation of law or otherwise.

I.7 Disability. "Disability" shall mean a condition that would entitle the Employee to receive benefits under the long-term disability insurance policy applicable to the Company's officers at the time either because the Employee is totally disabled or partially disabled, as such terms are defined in the policy then in effect. If the Company has no long-term disability plan in effect, "Disability" shall occur if (a) the Employee is rendered incapable because of physical or mental illness of satisfactorily discharging his duties and responsibilities to the Company for a period of 90 consecutive days, (b) a duly qualified physician chosen by the Company and acceptable to the Employee or his legal representatives so certifies in writing, and (c) the Board determines that the Employee has become disabled.

I.8 Employment Term. "Employment Term" shall mean the period commencing on the date of a Change of Control and ending on the third anniversary of such date.

I.9 Good Reason. (a) Any act or failure to act by the Company or its Affiliates specified in this Section 1.9 shall constitute "Good Reason" unless the Employee shall otherwise expressly agree in a writing that specifically refers to this Section 1.9:

(i) Any failure of the Company or its Affiliates to provide the Employee with a position, authority, duties and responsibilities at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 180-day period immediately preceding the Change of Control. The Employee's position, authority, duties and responsibilities after a Change of Control shall not be considered commensurate in all material respects with the Employee's position, authority, duties and responsibilities prior to a Change of Control unless after the Change of Control the Employee holds an equivalent position with, and exercises substantially equivalent authority, duties and responsibilities on behalf of, the Post-Transaction Corporation;

(ii) The assignment to the Employee of any duties inconsistent in any material respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3.1(b) of this Agreement, or any other action that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith that the Company remedies within 10 days after its receipt of written notice thereof from the Employee;

(iii) A material increase in the Employee's responsibilities or duties without a commensurate increase in total compensation;

(iv) Any failure by the Company to comply with and satisfy Sections 4.1 (c) or (d) of this Agreement;

(v) Any failure by the Company or its Affiliates to comply with any of the other provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Company remedies within 10 days after its receipt of written notice thereof from the Employee;

(vi) Any directive requiring the Employee to be based at any office or location other than as provided in Section 3.1(b)(ii) hereof or requiring the Employee to travel on business to a substantially greater extent than required immediately prior to the Change of Control; or

(vii) Any purported termination of the Employee's employment otherwise than as expressly permitted by this Agreement.

(b) For purposes of this Section 1.9, any good faith determination of "Good Reason" made by the Employee shall be conclusive and binding for all purposes, unless the Company establishes by clear and convincing evidence that the Employee did not have any reasonable basis for such determination.

(c) No action or inaction by the Company shall be deemed the basis for Good Reason unless the Employee asserts his right hereunder to terminate employment with Good Reason prior to the first anniversary of the date on which the Employee obtained actual knowledge of such act or omission. Except as otherwise provided in the prior sentence, neither the Employee's continued employment with the Company or its Affiliates nor any delay in the Employee's assertion of his rights to terminate employment with Good Reason shall be deemed to constitute a waiver of any of the Employee's rights hereunder.

(d) Anything in this Agreement to the contrary notwithstanding, a resignation by the Employee for any reason during the 30-day period immediately following the first anniversary of the Change of Control shall be deemed to be a termination for Good Reason and the Employee shall be entitled to receive all payments and benefits hereunder associated therewith.

I.10 Person. "Person" shall mean a natural person or entity, and shall also mean the group or syndicate created when two or more Persons act as a syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of acquiring, holding, or disposing of a security, except that "Person" shall not include an underwriter temporarily holding a security pursuant to an offering of the security.

I.11 Post-Transaction Corporation. Unless a Change of Control results from a Business Combination (as defined in Section 1.4(c) hereof), "Post-Transaction Corporation" shall mean the Company after the Change of Control. If a Change of Control results from a Business Combination, "Post-Transaction Corporation" shall mean the corporation or other entity resulting from the Business Combination unless, as a result of such Business Combination, an ultimate parent corporation controls such resulting entity, the Company or all or substantially all of the Company's assets either directly or indirectly, in which case "Post-Transaction Corporation" shall mean such ultimate parent corporation.

ARTICLE II STATUS OF CHANGE OF CONTROL AGREEMENTS

Notwithstanding any provisions thereof, this Agreement supersedes any and all prior agreements between the Company and the Employee that provide for severance benefits in the event of a Change of Control of the Company, as defined therein, and is effective as of the Agreement Date.

ARTICLE III CHANGE OF CONTROL BENEFITS

III.1 Employment Term and Capacity after Change of Control. (a) This Agreement shall commence on the Agreement Date and continue in effect through December 31, 2001; provided, however, that, commencing on January 1, 2002 and each January 1 thereafter, the term of this

Agreement shall automatically be extended for one additional year unless, not later than June 30 of the preceding year, the Company shall have given written notice that it does not wish to extend this Agreement; provided, further, that, notwithstanding any such non-extension notice by the Company, if a Change of Control of the Company shall have occurred during the original or extended term of this Agreement, this Agreement shall continue in effect through the third anniversary of the Change of Control, subject to any earlier termination of the Employee's status as an employee pursuant to this Agreement; provided, further, that in no event shall any termination of this Agreement result in any forfeiture of rights that accrued prior to the date of termination.

(b) During the Employment Term, the Company hereby agrees to continue the Employee in its employ, subject to the terms and conditions of this Agreement. During the Employment Term, (i) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 180- day period immediately preceding the Change of Control and (ii) the Employee's services shall be performed during normal business hours at the location of the Company's principal executive office at the time of the Change of Control, or the office or location where the Employee was employed immediately preceding the Change of Control or any relocation of any such site to a location that is not more than 35 miles from its location at the time of the Change of Control. The Employee's position, authority, duties and responsibilities after a Change of Control shall not be considered commensurate in all material respects with the Employee's position, authority, duties and responsibilities prior to a Change of Control unless after the Change of Control the Employee holds an equivalent position with, and exercises substantially equivalent authority, duties and responsibilities on behalf of, the Post-Transaction Corporation.

III.2 Compensation and Benefits. During the Employment Term, the Employee shall be entitled to the following compensation and benefits:

(a) Base Salary. The Employee shall receive an annual base salary ("Base Salary"), which shall be paid in at least monthly installments. The Base Salary shall initially be equal to 12 times the highest monthly base salary that was paid or is payable to the Employee, including any base salary which has been earned but deferred by the Employee, by the Company and its Affiliates with respect to any month in the 12-month period ending with the month that immediately precedes the month in which the Change of Control occurs. During the Employment Term, the Employee's Base Salary shall be reviewed at such time as the Company undertakes a salary review of his peer employees (but at least annually), and, to the extent that salary increases are granted to his peer employees of the Company (or have been granted during the immediately preceding 12-month period to his peer employees of any Affiliate of the Company), the Employee shall be granted a salary increase commensurate with any increase granted to his peer employees of the Company and its Affiliates. Any increase in Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Base Salary shall not be reduced during the Employment Term (whether or not any increase in Base Salary occurs) and, if any increase in Base Salary occurs, the term Base Salary as utilized in this Agreement shall refer to Base Salary as so increased from time to time.

(b) Annual Bonus. In addition to Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Term, an annual cash bonus (the "Bonus") in an amount at least equal to the average of the annual bonuses paid to the Employee with respect to the three fiscal years that immediately precede the year in which the Change of Control occurs under the Company's annual bonus plan, or any comparable bonus under a successor plan; provided, however, that if the Company has never paid an annual bonus for a full year to the Employee, the Employee shall be awarded a Bonus in an amount at least equal to the target bonus for which the Employee is eligible for the fiscal year in which the Change of Control occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus. Each such Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Bonus is awarded, unless the Employee shall elect to defer the receipt of such Bonus. For purposes of determining the value of any annual bonuses paid to the Employee in any year preceding the year in which the Change of Control occurs, all cash and stock bonuses earned by the Employee shall be valued as of the date of the grant.

(c) Fringe Benefits. The Employee shall be entitled to fringe benefits (including, but not limited to, any cash payments made in lieu thereof) commensurate with those provided to his peer employees of the Company and its Affiliates, but in no event shall such fringe benefits be less favorable than the most favorable of those provided by the Company and its Affiliates for the Employee at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, those provided generally at any time after the Change of Control to his peer employees of the Company and its Affiliates.

(d) Expenses. The Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable agreements, policies, practices and procedures of the Company and its Affiliates in effect for the Employee at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to his peer employees of the Company and its Affiliates.

(e) Benefit Plans. (i) The Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to his peer employees of the Company and its Affiliates, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities to the extent that any such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable than the most favorable of those provided by the Company and its Affiliates for the Employee under any agreements, plans, practices, policies and programs as in effect at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, those provided generally at any time after the Change of Control to his peer employees of the Company and its Affiliates.

(ii) The Employee and his family shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its Affiliates (including, without limitation, medical, prescription drug, dental, disability,

salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to his peer employees of the Company and its Affiliates, but in no event shall such plans, practices, policies and programs provide the Employee and his family with benefits, in each case, less favorable than the most favorable of those agreements, plans, practices, policies and programs in effect for the Employee and his family at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee and his family, those provided generally at any time after the Change of Control to his peer employees of the Company and its Affiliates.

(iii) Without limiting the generality of the Company's obligations under this subsection (e), the Company shall comply with all of its obligations under the benefit plans, practices, policies and programs of the Company and its Affiliates that arise in connection with a Change of Control of the Company, including without limitation all obligations that require the Company to (A) fully vest participants under the Company's qualified or non-qualified retirement plans, (B) transfer cash to a trust in exchange for phantom stock units previously held by participants in the Company's supplemental defined contribution plan, (C) fully vest employees meeting certain age and service requirements with post-retirement medical, dental and life insurance, or (D) extend the benefits described in Section 3.5.

(f) Office and Support Staff. The Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to secretarial and other assistance, commensurate with those provided to his peer employees of the Company and its Affiliates.

(g) Vacation. The Employee shall be entitled to paid vacation in accordance with the most favorable agreements, plans, policies, programs and practices of the Company and its Affiliates as in effect for the Employee at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to his peer employees of the Company and its Affiliates.

(h) Indemnification. If, in connection with any agreement related to a transaction that will result in a Change of Control of the Company, an undertaking is made to provide the Board with rights to indemnification from the Company (or from any other party to such agreement), the Employee shall, by virtue of this Agreement, be entitled to the same rights to indemnification as are provided to the Board pursuant to such agreement. Otherwise, the Employee shall be entitled to indemnification rights on terms no less favorable to the Employee than those available under any Company indemnification agreements or the articles of incorporation, bylaws or resolutions of the Company at any time after the Change of Control to his peer employees of the Company. Such indemnification rights shall be with respect to all claims, actions, suits or proceedings to which the Employee is or is threatened to be made a party that arise out of or are connected to his services at any time prior to the termination of his employment, without regard to whether such claims, actions, suits or proceedings are made, asserted or arise during or after the Employment Term.

(i) Directors and Officers Insurance. If, in connection with any agreement related to a transaction that will result in a Change of Control of the Company, an undertaking is made to provide the Board with continued coverage following the Change of Control under one or more directors and officers liability insurance policies, then the Employee shall, by virtue of this Agreement, be entitled to the same rights to continued coverage under such directors and officers liability insurance policies as are provided to the Board, and the Company shall take any steps necessary to give effect to this provision. Otherwise, the Company shall agree to cover the Employee under any directors and officers liability insurance policies as are provided generally at any time after the Change of Control to his peer employees of the Company.

III.3 Obligations upon Termination after a Change of Control.

(a) Termination by Company for Reasons other than Death, Disability or Cause or by the Employee for Good Reason. If, after a Change of Control and during the Employment Term, the Company or any of its Affiliates terminates the Employee's employment other than for Cause, death or Disability, or the Employee terminates employment for Good Reason, subject to Section 3.6,

(i) the Company shall pay to the Employee in a lump sum in cash within five business days of the date of termination an amount equal to three times the sum of (i) the amount of Base Salary in effect pursuant to Section 3.2(a) hereof at the date of termination, plus (ii) the greater of (x) the average of the annual bonuses paid or to be paid to the Employee with respect to the immediately preceding three fiscal years or (y) the target Bonus for which the Employee is eligible for the fiscal year in which the date of termination occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus; provided, however, that, if the Employee has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to the fiscal year in which termination occurs, such lump sum payment shall be reduced by an amount equal to such percentage times the bonus component of the lump sum payment (which reduction amount shall be deferred in accordance with such election);

(ii) the Company shall pay to the Employee in a lump sum in cash within five business days of the date of termination an amount calculated by multiplying the annual bonus that the Employee would have earned with respect to the entire fiscal year in which termination occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus, by the fraction obtained by dividing the number of days in such year through the date of termination by 365; provided, however, that, if the Employee has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to the fiscal year in which termination occurs, such lump sum payment shall be reduced by an amount equal to such percentage times the lump sum payment (which reduction amount shall be deferred in accordance with such election);

(iii) if, at the date of termination, the Company shall not yet have paid to the Employee (or deferred in accordance with any effective deferral

election by the Employee) an annual bonus with respect to a fully completed fiscal year, the Company shall pay to the Employee in a lump sum in cash within five business days of the date of termination an amount determined as follows: (i) if the Board (acting directly or indirectly through any committee or subcommittee) shall have already determined the amount of such annual bonus, such amount shall be paid, and (ii) if the Board shall not have already determined the amount of such annual bonus, the amount to be paid shall be the greater of the amount provided under Section 3.2(b) hereof or the annual bonus that the Employee would have earned with respect to such completed fiscal year, based solely upon the actual level of achievement of the objective performance goals established with respect to such bonus and assuming the achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus; provided, however, that, if the Employee has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to such completed fiscal year, such lump sum payment shall be reduced by an amount equal to such percentage times the lump sum payment (which reduction amount shall be deferred in accordance with such election); provided, further, that any payment under this subsection (iii) (or any payment under any other provision of this Agreement calculated by reference to prior or target bonus amounts) shall be payable notwithstanding any provision to the contrary set forth in any bonus plan or program of the Company;

(iv) for a period of three years following the date of termination of employment, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the "Continuation Period"), the Company shall at its expense continue on behalf of the Employee and his dependents and beneficiaries the life insurance, disability, medical, dental and hospitalization benefits (including any benefit under any individual benefit arrangement that covers medical, dental or hospitalization expenses not otherwise covered under any general Company plan) provided (x) to the Employee at any time during the one-year period prior to the Change in Control or at any time thereafter or (y) to other similarly-situated employees who continue in the employ of the Company or its Affiliates during the Continuation Period. The coverage and benefits (including deductibles and costs) provided in this Section 3.3(a)(iv) during the Continuation Period shall be no less favorable to the Employee and his dependents and beneficiaries than the most favorable of such coverages and benefits during any of the periods referred to in clauses (x) or (y) above; provided, however, in the event of the disability of the Employee during the Continuation Period, disability benefits shall, to the maximum extent possible, not be paid for the Continuation Period but shall instead commence immediately following the end of the Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until three years after the date of termination and to have retired on the last day of such period. The Company's obligation hereunder with respect to the foregoing benefits shall be limited to the extent that the Employee obtains any such benefits pursuant to a subsequent employer's benefit plans, in which case the Company may reduce the coverage of any benefits it is required to provide the Employee hereunder as long as the aggregate coverages and benefits of the combined benefit plans is no less favorable to the Employee than the coverages and benefits required to be provided hereunder. At the end of the Continuation Period, the Employee shall have the option to have assigned to him, at no cost and with no apportionment of prepaid premiums, any assignable insurance owned by the Company that relates specifically to the Employee. The Employee will be eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") at the end of the Continuation Period or earlier cessation of the Company's obligation under the foregoing provisions of this Section 3.3(a)(iv) (or, if the Employee shall not be so eligible for any reason, the Company will provide equivalent coverage);

(v) the Company at its cost shall provide to the Employee outplacement assistance by a reputable firm specializing in such services for the period beginning with the termination of employment and ending upon the lapse of the Employment Term; and

(vi) the Company shall discharge its obligations under all other applicable sections of this Article III, including Sections 3.4, 3.5, 3.6 and 3.7.

The payments and benefits provided in this Section 3.3(a) and under all of the Company's employee benefit and compensation plans shall be without regard to any plan amendment made after any Change of Control that adversely affects in any manner the computation of payments and benefits due the Employee under such plan or the time or manner of payment of such payments and benefits. After a Change of Control no discretionary power of the Board or any committee thereof shall be used in a way (and no ambiguity in any such plan shall be construed in a way) which adversely affects in any manner any right or benefit of the Employee under any such plan. If the Employee becomes entitled to receive benefits under this

Section 3.3(a), the Company shall not be required to make any cash severance payment under any other severance or salary continuation policy, plan, agreement or arrangement in favor of other officers or employees of the Company or its Affiliates unless such other policy, plan, agreement or arrangement expressly provides to the contrary in a provision that specifically states that it is intended to override the limitation of this sentence.

(b) Death; Disability; Termination for Cause; or Voluntary Termination. If, after a Change of Control and during the Employment Term, the Employee's status as an employee is terminated (i) by reason of the Employee's death or Disability, (ii) by the Company for Cause or (iii) voluntarily by the Employee other than for Good Reason, this Agreement shall terminate without further obligation to the Employee or the Employee's legal representatives (other than the timely payment or provision of those already accrued to the Employee, imposed by law or imposed pursuant to employee benefit or compensation plans, programs, practices, policies or agreements maintained by the Company or its Affiliates).

(c) Notice of Termination. Any termination by the Company for Cause or by reason of the Employee's Disability, or by the Employee for Good Reason, shall be communicated by a Notice of Termination to the other party given in accordance with Section 4.2 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the effective date of the termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice), provided that the effective date for any termination by reason of the Employee's Disability shall be the 30th day after the giving of such notice, unless prior to such 30th day the Employee shall have resumed the full- time performance of his duties. The failure by the Employee or the

Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause, Disability or Good Reason shall not waive any right of the Employee or the Company, respectively, hereunder or preclude the Employee or the Company, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

III.4 Accrued Obligations and Other Benefits. It is the intent of this Agreement that upon termination of employment for any reason following a Change of Control the Employee or his legal representatives be entitled to receive promptly, and in addition to any other benefits specifically provided, (a) the Employee's Base Salary through the date of termination to the extent not theretofore paid, (b) any accrued vacation pay, to the extent not theretofore paid, and (c) any other amounts or benefits required to be paid or provided or which the Employee or his legal representatives are entitled to receive under any plan, program, policy, practice or agreement of the Company, including without limitation all payments required to be made under the Company's supplemental executive retirement plan.

III.5 Stock Options and Other Incentives. The foregoing benefits provided for in this Article III are intended to be in addition to the value or benefit of any stock options, restricted stock, performance shares or similar awards, the exercisability, vesting or payment of which is accelerated or otherwise enhanced upon a Change of Control pursuant to the terms of any stock option, incentive or other similar plan or agreement heretofore or hereafter adopted by the Company or the Post- Transaction Corporation; provided, however, that, upon any termination of the Employee other than for Cause within three years following a Change of Control, all of the Employee's then-outstanding vested stock options, whether granted before or during the Employment Term, shall remain exercisable until the later of the 190th day after the termination date or the end of the exercise period provided for in the applicable option agreement or plan as then in effect, but in no event shall such exercise period continue after the date on which such options would have expired if the Employee had remained an employee of the Company, the Post-Transaction Corporation or one of their respective Affiliates.

III.6 Excise Tax Provision. (a) Notwithstanding any other provisions of this Agreement, if a Change of Control occurs during the original or extended term of this Agreement, in the event that any payment or benefit received or to be received by the Employee in connection with the Change of Control or the termination of the Employee's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in the Change of Control or any Person Affiliated with the Company or such Person) (all such payments and benefits, including without limitation the payments and benefits under Sections 3.3(a), 3.4(b), 3.4(c), 3.5 and 3.7 hereof, being hereinafter called "Payments") would be subject (in whole or in part) to an excise tax imposed by section 4999 of the Code or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company shall pay to the Employee at the time specified in paragraph (d) below an additional amount (the "Gross-up Payment") such that the net amount retained by the Employee, after deduction of any Excise Tax on the Payments and all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation any federal, state and local income or payroll tax and any Excise Tax, imposed upon the Gross-up Payment provided for by this paragraph (a), but before deduction of any federal, state and local income or payroll tax on the Payments, shall be equal to the Payments.

(b) For purposes of determining whether any of the Payments and the Gross-up Payment (collectively, the "Total Payments") will be subject to the Excise Tax and the amount of such Excise Tax, (i) the Total Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) shall be treated as subject to the Excise Tax, except to the extent that in the opinion of tax counsel selected by the Company's independent auditors ("Auditors") and reasonably acceptable to the Employee ("Tax Counsel") such Total Payments (in whole or in part) do not constitute "parachute payments", or such "excess parachute payments" (in whole or in part) are not subject to the Excise Tax and (ii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code. The Auditors shall perform the calculations in conformance with the foregoing provisions and within 15 business days of the date that any Payments are made under this Agreement shall provide the Employee with a detailed written statement setting forth the manner in which the Total Payments are calculated and the basis for such calculations, including without limitation any opinions or other advice the Company has received from Tax Counsel, the Auditors or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

(c) For purposes of determining the amount of the Gross-up Payment, the Employee shall be deemed to pay federal income taxes at the highest marginal rates of federal income taxation applicable to individuals in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the Employee's residence in the calendar year in which the Gross-up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes, taking into account any limitations applicable to individuals subject to federal income tax at the highest marginal rates.

(d) The initial Gross-up Payment, if any, as determined pursuant to this Section 3.6, shall be paid to the Employee within five days of the receipt of the Auditors' determination. If the Auditors determine that no Excise Tax is payable by the Employee, the Company shall cause the Auditors to furnish the Employee with an opinion that failure to report any Excise Tax on the Employee's applicable federal income tax return would not result in the imposition of a negligence or similar penalty.

(e) If it is established pursuant to a final determination of a court or Internal Revenue Service proceeding or the written opinion of Tax Counsel that the Excise Tax is less than the amount taken into account hereunder at the time the Gross-up Payment is made, the Employee shall repay to the Company within 30 days of the Employee's receipt of notice of such final determination or opinion the portion of the Gross-up Payment attributable to such reduction (plus the portion of the Gross-up Payment attributable to the Excise Tax, federal, state and local income tax and Excise Tax imposed on the portion of the Gross-up Payment being repaid by the Employee if such repayment results in a reduction of Excise Tax or federal, state and local income tax), plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. Notwithstanding the foregoing, in the event any portion of the Gross-up Payment to be refunded to the Company has been paid to any federal, state and local tax authority, the payment thereof (and related amounts) shall not be required until actual refund or credit of such

portion has been made to the Employee, and interest payable to the Company shall not exceed the interest received or credited to the Employee by such tax authority for the period that it held such portion. The Employee and the Company shall endeavor to mutually agree upon the course of action to be pursued (and the method of allocating the expense thereof) if the Employee's claim for refund or credit is denied. If it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding or the written opinion of Tax Counsel that the Excise Tax exceeds the amount taken into account hereunder at the time the Gross-up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-up Payment), the Company shall make an additional Gross-up Payment in respect of such excess (plus any interest or penalties payable with respect to such excess), as determined by the Auditors, within 30 days of the Company's receipt of notice of such final determination or opinion.

(f) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Employee shall permit the Company to control issues relating to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect the Employee, but the Employee shall control any other issues. In the event that the issues are interrelated, the Employee and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue, but if the parties cannot agree, the Employee shall make the final determination with regard to the issues. In the event of any conference with any taxing authority as to the Excise Tax or associated income taxes, the Employee shall permit a representative of the Company to accompany the Employee, and the Employee and the Employee's representative shall cooperate with the Company and its representative. The Company and the Employee shall promptly deliver to each other copies of any written communications, and summaries of any verbal communications, with any taxing authority regarding the Excise Tax covered by this Section 3.6.

(g) The Company shall be responsible for all charges of the Tax Counsel and the Auditors.

(h) Notwithstanding any other provision in this Agreement to the contrary, if it is determined by the Auditors that the gross-up provisions in this Section 3.6 as they relate to the accelerated vesting of nonqualified stock options or restricted stock issued by the Company would be the sole reason precluding the use by the Company of the pooling of interests method of accounting, then the tax gross-up provisions of this Section 3.6 shall not apply to such nonqualified stock options or restricted stock as the case may be, unless the Gross-up Payment can be altered, modified or delayed to allow it to be paid without precluding the use of the pooling of interest method of accounting. The Company will use its best efforts to alter, modify, or delay the payment so that the Gross-up Payment can be made.

III.7 Legal Fees. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and other expenses (including expert witness and accounting fees) which the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement (including as a result of any contest by the Employee about the amount or timing of any payment pursuant to this Agreement) or which the Employee may reasonably incur in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided under this Agreement.

III.8 Set-Off; Mitigation. After a Change of Control, the obligations of the Company and its Affiliates to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company or its Affiliates may have against the Employee or others other than the Company's right to reduce welfare benefits under the circumstances described in Section 3.3(a)(iv). It is the intent of this Agreement that in no event shall the Employee be obligated to seek other employment or take any other action to mitigate the amounts or benefits payable to the Employee under any of the provisions of this Agreement.

III.9 Certain Pre-Change-of-Control Terminations. Notwithstanding any other provision of this Agreement, the Employee's employment shall be deemed to have been terminated following a Change of Control by the Company without Cause (and the Employee shall be entitled to receive all payments and benefits associated therewith) if the Employee's employment is terminated by the Company or any of its Affiliates without Cause prior to a Change of Control (whether or not a Change of Control actually occurs) and such termination (i) was at the request or direction of a third party who has taken steps designed to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control or (ii) occurred after discussions with a third party regarding a possible Change of Control transaction commenced and such discussions produced (whether before or after such termination) either a preliminary or definitive agreement with respect to such a transaction or a public announcement of the pending transaction (whether or not a Change of Control actually occurs). If the Employee takes the position that the foregoing sentence applies and the Company disagrees, the Company shall have the burden of proof in any such dispute.

ARTICLE IV MISCELLANEOUS

IV.1 Binding Effect; Successors.

(a) This Agreement shall be binding upon and inure to the benefit of the Company and any of its successors or assigns.

(b) This Agreement is personal to the Employee and shall not be assignable by the Employee without the consent of the Company (there being no obligation to give such consent) other than such rights or benefits as are transferred by will or the laws of descent and distribution, which shall inure to the benefit of the Employee's legal representatives.

(c) The Company shall require any successor to or assignee of (whether direct or indirect, by purchase, share exchange, merger, consolidation or otherwise) all or substantially all of the assets or businesses of the Company (i) to assume unconditionally and expressly this Agreement and

(ii) to agree to perform or to cause to be performed all of the obligations under this Agreement in the same manner and to the same extent as would have been required of the Company had no assignment or succession occurred, such assumption to be set forth in a writing reasonably satisfactory to the Employee.

(d) The Company shall also require all entities that control or that after the transaction will control (directly or indirectly) the Company or any such successor or assignee to agree to be performed all of the obligations under this Agreement, such agreement to be set forth in a writing reasonably satisfactory to the Employee.

(e) The obligations of the Company and the Employee which by their nature may require either partial or total performance after the expiration of the term of the Agreement shall survive such expiration.

IV.2 Notices. All notices hereunder must be in writing and shall be deemed to have been given upon receipt of delivery by: (a) hand (against a receipt therefor), (b) certified or registered mail, postage prepaid, return receipt requested, (c) a nationally recognized overnight courier service (against a receipt therefor) or (d) telecopy transmission with confirmation of receipt. All such notices must be addressed as follows:

If to the Company, to:

CenturyTel, Inc.
100 Century Park Drive
Monroe, Louisiana 71203

Attn: General Counsel

If to the Employee, to:

Glen F. Post, III
100 Century Park Drive
Monroe, Louisiana 71203

(or, if the Employee is no longer employed at such address, to the Employee's last known principal residence reflected in the Company's records)

or such other address as to which any party hereto may have notified the other in writing.

IV.3 Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the internal laws of the State of Louisiana without regard to principles of conflict of laws.

IV.4 Withholding. The Employee agrees that the Company has the right to withhold, from the amounts payable pursuant to this Agreement, all amounts required to be withheld under applicable income or employment tax laws, or as otherwise stated in documents granting rights that are affected by this Agreement.

IV.5 Amendment. No provision of this Agreement may be modified or amended except by an instrument in writing signed by both parties.

IV.6 Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall at any time or to any extent be invalid, illegal or unenforceable in any respect as written, the Employee and the Company intend for any court construing this Agreement to modify or limit such provision so as to render it valid and enforceable to the fullest extent allowed by law. Any such provision that is not susceptible of such reformation shall be ignored so as to not affect any other term or provision hereof, and the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected thereby and shall be valid and enforced to the fullest extent permitted by law.

IV.7 Waiver of Breach. Except as expressly provided herein to the contrary, the failure by any party to enforce any of its rights hereunder shall not be deemed to be a waiver of such rights, unless such waiver is an express written waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

IV.8 Remedies Not Exclusive. No remedy specified herein shall be deemed to be such party's exclusive remedy, and accordingly, in addition to all of the rights and remedies provided for in this Agreement, the parties shall have all other rights and remedies provided to them by applicable law, rule or regulation, including without limitation the right to claim interest with respect to any payment not timely made hereunder.

IV.9 Company's Reservation of Rights. The Employee acknowledges and understands that (i) the Employee is employed at will by either the Company or one of its Affiliates (the "Employer"), (ii) the Employee serves at the pleasure of the board of directors of the Employer, and (iii) the Employer has the right at any time to terminate the Employee's status as an employee, or to change or diminish his status during the Employment Term, subject to the rights of the Employee to claim the benefits conferred by this Agreement. Notwithstanding any other provisions of this Agreement to the contrary, this Agreement shall not entitle the Employee or his legal representatives to any severance or

other benefits of any kind prior to a Change of Control or to any such benefits if Employee is not employed by the Company or one of its Affiliates on the date of a Change of Control, except in each case for those rights afforded under Section 3.9.

IV.10 Non-exclusivity of Rights. Subject to Section 4.9, nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliates and for which the Employee may qualify, nor shall anything herein limit or otherwise restrict such rights as the Employee may have under any contract or agreement with the Company or any of its Affiliates. The Employee shall not be obligated to furnish a release of any rights or claims against the Company or its Affiliates as a condition of receiving benefits hereunder.

IV.11 Confidentiality. Upon receipt of the payments or benefits contemplated by Section 3.3 hereof, the Employee agrees to refrain for a period of three years from divulging any non-public, confidential or proprietary information concerning the Company or its Affiliates to any Person other than the Company, its Affiliates or their respective officers, directors or advisors, provided that this obligation shall lapse prior to the end of such three-year period with respect to any information that (i) is or becomes generally available to the public other than as a result of a breach of this Section 4.11, (ii) is or becomes available to the Employee on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known by the Employee to have violated any confidentiality agreement with the Company in connection with such disclosure, or (iii) is acquired or developed independently by the Employee without violating this Section 4.11.

IV.12 Demand for Benefits. Unless otherwise provided herein, the payment or payments due hereunder shall be paid to the Employee without the need for demand, and to a beneficiary upon the receipt of the beneficiary's address and social security number. Nevertheless, the Employee or a Person claiming to be a beneficiary who claims entitlement to a benefit can file a claim for benefits hereunder with the Company. Unless otherwise provided herein, the Company shall accept or reject the claim within five business days of its receipt. If the claim is denied, the Company shall give the reason for denial in a written notice that refers to the provision of this Agreement that forms the basis of the denial. If any additional information or material is necessary to perfect the claim, the Company will identify these items in writing and explain why such additional information is necessary.

IV.13 Authority. The Company represents and warrants that (i) this Agreement was duly authorized by the Shareholder Relations Committee of the Board and the Compensation Committee of the Board on February 21, 2000 and by the Board on February 22, 2000, and (ii) no other corporate proceedings are necessary to authorize the Company's execution, delivery and performance of this Agreement.

IV.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Employee have caused this Agreement to be executed as of the Agreement Date.

CENTURYTEL, INC.

By: /s/ Clarke M. Williams

Clarke M. Williams
Chairman of the Board

EMPLOYEE:

/s/ Glen F. Post, III

Glen F. Post, III

Exhibit 10.1(c)

FORM OF CHANGE OF CONTROL AGREEMENT
(with Executive Officers)

CHANGE OF CONTROL AGREEMENT (this "Agreement"), dated effective as of February 22, 2000 (the "Agreement Date"), between CenturyTel, Inc., a Louisiana corporation (the "Company"), and _____ (the "Employee").

W I T N E S S E T H:

WHEREAS, the Board of Directors of the Company (the "Board") has determined that it is in the best interests of the Company and its shareholders to take steps designed to retain the services of the Employee and to assure the full dedication of the Employee, free from personal distraction, in the event of an actual or pending change of control of the Company; and

WHEREAS, the Board believes that this agreement accomplishes these and other related objectives;

NOW, THEREFORE, the parties agree as follows:

ARTICLE I
CERTAIN DEFINITIONS

I.1 Affiliate. "Affiliate" (and variants thereof) shall mean a Person that controls, or is controlled by, or is under common control with, another specified Person, either directly or indirectly.

I.2 Beneficial Owner. "Beneficial Owner" (and variants thereof), with respect to a security, shall mean a Person who, directly or indirectly (through any contract, understanding, relationship or otherwise), has or shares (i) the power to vote, or direct the voting of, the security, or (ii) the power to dispose of, or direct the disposition of, the security.

I.3 Cause. (a) "Cause" shall mean:

(i) conviction of a felony;

(ii) habitual intoxication during working hours;

(iii) habitual abuse of or addiction to a controlled dangerous substance; or

(iv) the willful and continued failure of the Employee to perform substantially the Employee's duties with the Company or its Affiliates (other than any such failure resulting from incapacity due to physical or mental illness or the Employee's termination of employment for Good Reason) for a period of 15 days after a written demand for substantial performance is delivered to the Employee by the Board which specifically identifies the manner in which the Board believes that the Employee has not substantially performed the Employee's duties.

(b) For purposes of this Section 1.3, no act or failure to act on the part of the Employee shall be considered "willful" unless it is done, or omitted to be done, by the Employee in bad faith and without reasonable belief that the Employee's action or omission was in the best interests of the Company or its Affiliates. Any act, or failure to act, based upon authority given pursuant to a resolution duly adopted by the Board or upon the instructions of a senior officer of the Company or based upon the advice of counsel for the Company or its Affiliates shall be conclusively presumed to be done, or omitted to be done, by the Employee in good faith and in the best interests of the Company or its Affiliates. Any termination by the Company or any of its Affiliates of the Employee's employment during the Employment Term (as defined in Section 1.8) shall not be deemed to be for Cause unless the Employee's action or inaction meets the foregoing standard and until there shall have been delivered to the Employee a copy of a resolution duly adopted by the affirmative vote of not less than three-quarters of the entire membership of the Board at a meeting of the Board called and held for such purpose (after reasonable notice is provided to the Employee and the Employee is given an opportunity, together with counsel, to be heard before the Board), finding that, in the good faith opinion of the Board, the Employee is guilty of the conduct described in subparagraph (a) above, and specifying the particulars thereof in detail.

(c) No action or inaction shall be deemed the basis for Cause unless the Employee is terminated therefor within 120 days after such action or omission is known to the Chief Executive Officer of the Company.

(d) In the event that the existence of Cause shall become an issue in any action or proceeding between the Company and the Employee, the Company shall, notwithstanding the finding of the Board referenced above, have the burden of establishing that the actions or inactions deemed the basis for Cause did in fact occur and do constitute Cause and that the Company has satisfied the procedural requirements of this provision. The satisfaction of the Company's burden shall require clear and convincing evidence. Any purported termination of employment of the Employee by the Company which does not meet each and every substantive and procedural requirement of this provision shall be treated for all purposes under this Agreement as a termination of employment without Cause.

I.4 Change of Control. "Change of Control" shall mean:

(a) the acquisition by any Person of Beneficial Ownership of 30% or more of the outstanding shares of the Company's Common Stock, \$1.00 par value per share (the "Common Stock"), or 30% or more of the combined voting power of the Company's then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control:

(i) any acquisition (other than a Business Combination which constitutes a Change of Control under Section 1.4(c) hereof) of Common Stock directly from the Company,

(ii) any acquisition of Common Stock by the Company or its subsidiaries,

(iii) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company, or

(iv) any acquisition of Common Stock by any corporation pursuant to a Business Combination that does not constitute a Change of Control under Section 1.4(c) hereof; or

(b) individuals who, as of the Agreement Date, constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Agreement Date whose election, or nomination for election by the Company's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Incumbent Board; or

(c) consummation of a reorganization, share exchange, merger or consolidation (including any such transaction involving any direct or indirect subsidiary of the Company), or sale or other disposition of all or substantially all of the assets of the Company (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination,

(i) the individuals and entities who were the Beneficial Owners of the Company's outstanding common stock and the Company's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect Beneficial Ownership, respectively, of more than 50% of the then outstanding shares of common stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, of the Post-Transaction Corporation (as defined in Section 1.11 hereof), and

(ii) except to the extent that such ownership existed prior to the Business Combination, no Person (excluding the Post-Transaction Corporation and any employee benefit plan or related trust of either the Company, the Post-Transaction Corporation or any subsidiary of either corporation) Beneficially Owns, directly or indirectly, 20% or more of the then outstanding shares of common stock of the corporation resulting from such Business Combination or 20% or more of the combined voting power of the then outstanding voting securities of such corporation, and

(iii) at least a majority of the members of the board of directors of the Post-Transaction Corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board, providing for such Business Combination; or

(d) approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

I.5 Code. "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time.

I.6 Company. "Company" shall mean CenturyTel, Inc. and shall include any successor to or assignee of (whether direct or indirect, by purchase, share exchange, merger, consolidation or otherwise) all or substantially all of the assets or business of the Company that assumes and agrees to perform this Agreement by operation of law or otherwise.

I.7 Disability. "Disability" shall mean a condition that would entitle the Employee to receive benefits under the long-term disability insurance policy applicable to the Company's officers at the time either because the Employee is totally disabled or partially disabled, as such terms are defined in the policy then in effect. If the Company has no long-term disability plan in effect, "Disability" shall occur if (a) the Employee is rendered incapable because of physical or mental illness of satisfactorily discharging his duties and responsibilities to the Company for a period of 90 consecutive days, (b) a duly qualified physician chosen by the Company and acceptable to the Employee or his legal representatives so certifies in writing, and (c) the Board determines that the Employee has become disabled.

I.8 Employment Term. "Employment Term" shall mean the period commencing on the date of a Change of Control and ending on the third anniversary of such date.

I.9 Good Reason. (a) Any act or failure to act by the Company or its Affiliates specified in this Section 1.9 shall constitute "Good Reason"

unless the Employee shall otherwise expressly agree in a writing that specifically refers to this Section 1.9:

(i) Any failure of the Company or its Affiliates to provide the Employee with a position, authority, duties and responsibilities at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 180-day period immediately preceding the Change of Control. The Employee's position, authority, duties and responsibilities after a Change of Control shall not be considered commensurate in all material respects with the Employee's position, authority, duties and responsibilities prior to a Change of Control unless after the Change of Control the Employee holds an equivalent position with, and exercises substantially equivalent authority, duties and responsibilities on behalf of, either the Post-Transaction Corporation or the Company;

(ii) The assignment to the Employee of any duties inconsistent in any material respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by Section 3.1(b) of this Agreement, or any other action that results in a diminution in such position, authority, duties or responsibilities, excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith that the Company remedies within 10 days after its receipt of written notice thereof from the Employee;

(iii) A material increase in the Employee's responsibilities or duties without a commensurate increase in total compensation;

(iv) Any failure by the Company to comply with and satisfy Sections 4.1 (c) or (d) of this Agreement;

(v) Any failure by the Company or its Affiliates to comply with any of the other provisions of this Agreement, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith that the Company remedies within 10 days after its receipt of written notice thereof from the Employee;

(vi) Any directive requiring the Employee to be based at any office or location other than as provided in Section 3.1(b)(ii) hereof or requiring the Employee to travel on business to a substantially greater extent than required immediately prior to the Change of Control; or

(vii) Any purported termination of the Employee's employment otherwise than as expressly permitted by this Agreement.

(b) For purposes of this Section 1.9, any good faith determination of "Good Reason" made by the Employee shall be conclusive and binding for all purposes, unless the Company establishes by clear and convincing evidence that the Employee did not have any reasonable basis for such determination.

(c) No action or inaction by the Company shall be deemed the basis for Good Reason unless the Employee asserts his right hereunder to terminate employment with Good Reason prior to the first anniversary of the date on which the Employee obtained actual knowledge of such act or omission. Except as otherwise provided in the prior sentence, neither the Employee's continued employment with the Company or its Affiliates nor any delay in the Employee's assertion of his rights to terminate employment with Good Reason shall be deemed to constitute a waiver of any of the Employee's rights hereunder.

(d) Anything in this Agreement to the contrary notwithstanding, a resignation by the Employee for any reason during the 30-day period immediately following the first anniversary of the Change of Control shall be deemed to be a termination for Good Reason and the Employee shall be entitled to receive all payments and benefits hereunder associated therewith.

I.10 Person. "Person" shall mean a natural person or entity, and shall also mean the group or syndicate created when two or more Persons act as a syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of acquiring, holding, or disposing of a security, except that "Person" shall not include an underwriter temporarily holding a security pursuant to an offering of the security.

I.11 Post-Transaction Corporation. Unless a Change of Control results from a Business Combination (as defined in Section 1.4(c) hereof), "Post-Transaction Corporation" shall mean the Company after the Change of Control. If a Change of Control results from a Business Combination, "Post-Transaction Corporation" shall mean the corporation or other entity resulting from the Business Combination unless, as a result of such Business Combination, an ultimate parent corporation controls such resulting entity, the Company or all or substantially all of the Company's assets either directly or indirectly, in which case "Post-Transaction Corporation" shall mean such ultimate parent corporation.

ARTICLE II STATUS OF CHANGE OF CONTROL AGREEMENTS

Notwithstanding any provisions thereof, this Agreement supersedes any and all prior agreements between the Company and the Employee that provide for severance benefits in the event of a Change of Control of the Company, as defined therein, and is effective as of the Agreement Date.

ARTICLE III CHANGE OF CONTROL BENEFITS

III.1 Employment Term and Capacity after Change of Control. (a) This Agreement shall commence on the Agreement Date and continue in effect through December 31, 2001; provided, however, that, commencing on January 1, 2002 and each January 1 thereafter, the term of this Agreement shall automatically be extended for one additional year unless, not later than June 30 of the preceding year, the Company shall have given written notice that it does not wish to extend this Agreement; provided, further, that, notwithstanding any such non-extension notice by the Company, if a Change of Control of the Company shall have occurred during the original or extended term of this Agreement, this Agreement shall continue in effect through the third anniversary of the Change of Control, subject to any earlier termination of the Employee's status as an employee pursuant to this Agreement; provided, further, that in no event shall any termination of this Agreement result in any forfeiture of rights that accrued prior to the date of termination.

(b) During the Employment Term, the Company hereby agrees to continue the Employee in its employ, subject to the terms and conditions of this Agreement. During the Employment Term, (i) the Employee's position (including status, offices, titles and reporting requirements), authority, duties and responsibilities shall be at least commensurate in all material respects with the most significant of those held, exercised and assigned at any time during the 180-day period immediately preceding the Change of Control and (ii) the Employee's services shall be performed during normal business hours at the location of the Company's principal executive office at the time of the Change of Control, or the office or location where the Employee was employed immediately preceding the Change of Control or any relocation of any such site to a location that is not more than 35 miles from its location at the time of the Change of Control. The Employee's position, authority, duties and responsibilities after a Change of Control shall not be considered commensurate in all material respects with the Employee's position, authority, duties and responsibilities prior to a Change of Control unless after the Change of Control the Employee holds an equivalent position with, and exercises substantially equivalent authority, duties and responsibilities on behalf of, either the Post-Transaction Corporation or the Company.

III.2 Compensation and Benefits. During the Employment Term, the Employee shall be entitled to the following compensation and benefits:

(a) Base Salary. The Employee shall receive an annual base salary ("Base Salary"), which shall be paid in at least monthly installments. The Base Salary shall initially be equal to 12 times the highest monthly base salary that was paid or is payable to the Employee, including any base salary which has been earned but deferred by the Employee, by the Company and its Affiliates with respect to any month in the 12-month period ending with the month that immediately precedes the month in which the Change of Control occurs. During the Employment Term, the Employee's Base Salary shall be reviewed at such time as the Company undertakes a salary review of his peer employees (but at least annually), and, to the extent that salary increases are granted to his peer employees of the Company (or have been granted during the immediately preceding 12-month period to his peer employees of any Affiliate of the Company), the Employee shall be granted a salary increase commensurate with any increase granted to his peer employees of the Company and its Affiliates. Any increase in Base Salary shall not serve to limit or reduce any other obligation to the Employee under this Agreement. Base Salary shall not be reduced during the Employment Term (whether or not any increase in Base Salary occurs) and, if any increase in Base Salary occurs, the term Base Salary as utilized in this Agreement shall refer to Base Salary as so increased from time to time.

(b) Annual Bonus. In addition to Base Salary, the Employee shall be awarded, for each fiscal year ending during the Employment Term, an annual cash bonus (the "Bonus") in an amount at least equal to the average of the annual bonuses paid to the Employee with respect to the three fiscal years that immediately precede the year in which the Change of Control occurs under the Company's annual bonus plan, or any comparable bonus under a successor plan; provided, however, that if the Company has never paid an annual bonus for a full year to the Employee, the Employee shall be awarded a Bonus in an amount at least equal to the target bonus for which the Employee is eligible for the fiscal year in which the Change of Control occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus. Each such Bonus shall be paid no later than the end of the third month of the fiscal year next following the fiscal year for which the Bonus is awarded, unless the Employee shall elect to defer the receipt of such Bonus. For purposes of determining the value of any annual bonuses paid to the Employee in any year preceding the year in which the Change of Control occurs, all cash and stock bonuses earned by the Employee shall be valued as of the date of the grant.

(c) Fringe Benefits. The Employee shall be entitled to fringe benefits (including, but not limited to, any cash payments made in lieu thereof) commensurate with those provided to his peer employees of the Company and its Affiliates, but in no event shall such fringe benefits be less favorable than the most favorable of those provided by the Company and its Affiliates for the Employee at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, those provided generally at any time after the Change of Control to his peer employees of the Company and its Affiliates.

(d) Expenses. The Employee shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Employee in accordance with the most favorable agreements, policies, practices and procedures of the Company and its Affiliates in effect for the Employee at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to his peer employees of the Company and its Affiliates.

(e) Benefit Plans. (i) The Employee shall be entitled to participate in all incentive, savings and retirement plans, practices, policies and programs applicable generally to his peer employees of the Company and its Affiliates, but in no event shall such plans, practices, policies and programs provide the Employee with incentive opportunities (measured with respect to both regular and special incentive opportunities to the extent that any such distinction is applicable), savings opportunities and retirement benefit opportunities, in each case, less favorable than the most favorable of those provided by the Company and its Affiliates for the Employee under any agreements, plans, practices, policies and programs as in effect at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, those provided generally at any time after the Change of Control to his peer employees of the Company and its Affiliates.

(ii) The Employee and his family shall be eligible for participation in and shall receive all benefits under welfare benefit plans, practices, policies and programs provided by the Company and its Affiliates (including, without limitation, medical, prescription drug, dental, disability, salary continuance, employee life, group life, accidental death and travel accident insurance plans and programs) to the extent applicable generally to his peer employees of the Company and its Affiliates, but in no event shall such plans, practices, policies and programs provide the Employee and his family with benefits, in each case, less favorable than the most favorable of those agreements, plans, practices, policies and programs in effect for the Employee and his family at any time during the one- year period immediately preceding the Change of Control or, if more favorable to the Employee and his family, those provided generally at any time after the Change of Control to his peer employees of the Company and its Affiliates.

(iii) Without limiting the generality of the Company's obligations under this subsection (e), the Company shall comply with all of its obligations under the benefit plans, practices, policies and programs of the Company and its Affiliates that arise in connection with a Change of Control of the Company, including without limitation all obligations that require the Company to (A) fully vest participants under the Company's qualified or non-qualified retirement plans, (B) transfer cash to a trust in exchange for phantom stock units previously held by participants in the Company's supplemental defined contribution plan, (C) fully vest employees meeting certain age and service requirements with post-retirement medical, dental and life insurance, or (D) extend the benefits described in Section 3.5.

(f) Office and Support Staff. The Employee shall be entitled to an office or offices of a size and with furnishings and other appointments, and to secretarial and other assistance, commensurate with those provided to his peer employees of the Company and its Affiliates.

(g) Vacation. The Employee shall be entitled to paid vacation in accordance with the most favorable agreements, plans, policies, programs and practices of the Company and its Affiliates as in effect for the Employee at any time during the one-year period immediately preceding the Change of Control or, if more favorable to the Employee, as in effect generally at any time thereafter with respect to his peer employees of the Company and its Affiliates.

(h) Indemnification. If, in connection with any agreement related to a transaction that will result in a Change of Control of the Company, an undertaking is made to provide the Board with rights to indemnification from the Company (or from any other party to such agreement), the Employee shall, by virtue of this Agreement, be entitled to the same rights to indemnification as are provided to the Board pursuant to such agreement. Otherwise, the Employee shall be entitled to indemnification rights on terms no less favorable to the Employee than those available under any Company indemnification agreements or the articles of incorporation, bylaws or resolutions of the Company at any time after the Change of Control to his peer employees of the Company. Such indemnification rights shall be with respect to all claims, actions, suits or proceedings to which the Employee is or is threatened to be made a party that arise out of or are connected to his services at any time prior to the termination of his employment, without regard to whether such claims, actions, suits or proceedings are made, asserted or arise during or after the Employment Term.

(i) Directors and Officers Insurance. If, in connection with any agreement related to a transaction that will result in a Change of Control of the Company, an undertaking is made to provide the Board with continued coverage following the Change of Control under one or more directors and officers liability insurance policies, then the Employee shall, by virtue of this Agreement, be entitled to the same rights to continued coverage under such directors and officers liability insurance policies as are provided to the Board, and the Company shall take any steps necessary to give effect to this provision. Otherwise, the Company shall agree to cover the Employee under any directors and officers liability insurance policies as are provided generally at any time after the Change of Control to his peer employees of the Company.

III.3 Obligations upon Termination after a Change of Control.

(a) Termination by Company for Reasons other than Death, Disability or Cause or by the Employee for Good Reason. If, after a Change of Control and during the Employment Term, the Company or any of its Affiliates terminates the Employee's employment other than for Cause, death or Disability, or the Employee terminates employment for Good Reason, subject to Section 3.6,

(i) the Company shall pay to the Employee in a lump sum in cash within five business days of the date of termination an amount equal to three times the sum of (i) the amount of Base Salary in effect pursuant to Section 3.2(a) hereof at the date of termination, plus (ii) the greater of (x) the average of the annual bonuses paid or to be paid to the Employee with respect to the immediately preceding three fiscal years or (y) the target Bonus for which the Employee is eligible for the fiscal year in which the date of termination occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus; provided, however, that, if the Employee has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to the fiscal year in which termination occurs, such lump sum payment shall be reduced by an amount equal to such percentage times the bonus component of the lump sum payment (which reduction amount shall be deferred in accordance with such election);

(ii) the Company shall pay to the Employee in a lump sum in cash within five business days of the date of termination an amount calculated by multiplying the annual bonus that the Employee would have earned with respect to the entire fiscal year in which termination occurs, assuming achievement at the target level of the objective performance goals established with respect to such bonus and achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus, by the fraction obtained by dividing the number of days in such year through the date of termination by 365; provided, however, that, if the Employee has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to the fiscal year in which termination occurs, such lump sum payment shall be reduced by an amount equal to such percentage times the lump sum payment (which reduction amount shall be deferred in accordance with such election);

(iii) if, at the date of termination, the Company shall not yet have paid to the Employee (or deferred in accordance with any effective deferral election by the Employee) an annual bonus with respect to a fully completed fiscal year, the Company shall pay to the Employee in a lump sum in cash within five business days of the date of termination an amount determined as follows: (i) if the Board (acting directly or indirectly through any committee or subcommittee) shall have already determined the amount of such annual bonus, such amount shall be paid, and (ii) if the Board shall not have already determined the amount of such annual bonus, the amount to be paid shall be the greater of the amount provided under Section 3.2(b) hereof or the annual bonus that the Employee would have earned with respect to such completed fiscal year, based solely upon the actual level of achievement of the objective performance goals established with respect to such bonus and assuming the achievement of 100% of any subjective performance goals or criteria otherwise applicable with respect to such bonus; provided, however, that, if the Employee has in effect a deferral election with respect to any percentage of the annual bonus which would otherwise become payable with respect to such completed fiscal year, such lump sum payment shall be reduced by an amount equal to such percentage times the lump sum payment (which reduction amount shall be deferred in accordance with such election); provided, further, that any payment under this subsection (iii) (or any payment under any other provision of this Agreement calculated by reference to prior or target bonus amounts) shall be payable notwithstanding any provision to the contrary set forth in any bonus plan or program of the Company;

(iv) for a period of three years following the date of termination of employment, or such longer period as may be provided by the terms of the appropriate plan, program, practice or policy (the "Continuation Period"), the Company shall at its expense continue on behalf of the Employee and his dependents and beneficiaries the life insurance, disability, medical, dental and hospitalization benefits (including any benefit under any individual benefit arrangement that covers medical, dental or hospitalization expenses not otherwise covered under any general Company plan) provided (x) to the Employee at any time during the one-year period prior to the Change in Control or at any time thereafter or (y) to other similarly-situated employees who continue in the employ of the Company or its Affiliates during the Continuation Period. The coverage and benefits (including deductibles and costs) provided in this Section 3.3(a)(iv) during the Continuation Period shall be no less favorable to the Employee and his dependents and beneficiaries than the most favorable of such coverages and benefits during any of the periods referred to in clauses (x) or (y) above; provided, however, in the event of the disability of the Employee during the Continuation Period, disability benefits shall, to the maximum extent possible, not be paid for the Continuation Period but shall instead commence immediately following the end of the Continuation Period. For purposes of determining eligibility (but not the time of commencement of benefits) of the Employee for retiree benefits pursuant to such plans, practices, programs and policies, the Employee shall be considered to have remained employed until three years after the date of termination and to have retired on the last day of such period. The Company's obligation hereunder with respect to the foregoing benefits shall be limited to the extent that the Employee obtains any such benefits pursuant to a subsequent employer's benefit plans, in which case the Company may reduce the coverage of any benefits it is required to provide the Employee hereunder as long as the aggregate coverages and benefits of the combined benefit plans is no less favorable to the Employee than the coverages and benefits required to be provided hereunder. At the end of the Continuation Period, the Employee shall have the option to have assigned to him, at no cost and with no apportionment of prepaid premiums, any assignable insurance owned by the Company that relates specifically to the Employee. The Employee will be eligible for coverage under the Consolidated Omnibus Budget Reconciliation Act ("COBRA") at the end of the Continuation Period or earlier cessation of the Company's obligation under the foregoing provisions of this Section 3.3(a)(iv) (or, if the Employee shall not be so eligible for any reason, the Company will provide equivalent coverage);

(v) the Company at its cost shall provide to the Employee outplacement assistance by a reputable firm specializing in such services for the period beginning with the termination of employment and ending upon the lapse of the Employment Term; and

(vi) the Company shall discharge its obligations under all other applicable sections of this Article III, including Sections 3.4, 3.5, 3.6 and 3.7.

The payments and benefits provided in this Section 3.3(a) and under all of the Company's employee benefit and compensation plans shall be without regard to any plan amendment made after any Change of Control that adversely affects in any manner the computation of payments and benefits due the Employee under such plan or the time or manner of payment of such payments and benefits. After a Change of Control no discretionary power of the Board or any committee thereof shall be used in a way (and no ambiguity in any such plan shall be construed in a way) which adversely affects in any manner any right or benefit of the Employee under any such plan. If the Employee becomes entitled to receive benefits under this Section 3.3(a), the Company shall not be required to make any cash severance payment under any other severance or salary continuation policy, plan, agreement or arrangement in favor of other officers or employees of the Company or its Affiliates unless such other policy, plan, agreement or arrangement expressly provides to the contrary in a provision that specifically states that it is intended to override the limitation of this sentence.

(b) Death; Disability; Termination for Cause; or Voluntary Termination. If, after a Change of Control and during the Employment Term, the Employee's status as an employee is terminated (i) by reason of the Employee's death or Disability, (ii) by the Company for Cause or (iii) voluntarily by the Employee other than for Good Reason, this Agreement shall terminate without further obligation to the Employee or the Employee's legal representatives (other than the timely payment or provision of those already accrued to the Employee, imposed by law or imposed pursuant to employee benefit or compensation plans, programs, practices, policies or agreements maintained by the Company or its Affiliates).

(c) Notice of Termination. Any termination by the Company for Cause or by reason of the Employee's Disability, or by the Employee for Good Reason, shall be communicated by a Notice of Termination to the other party given in accordance with Section 4.2 of this Agreement. For purposes of this Agreement, a "Notice of Termination" means a written notice which (i) indicates the specific termination provision in this Agreement relied upon, (ii) to the extent applicable, sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Employee's employment under the provision so indicated and (iii) if the effective date of the termination is other than the date of receipt of such notice, specifies the termination date (which date shall be not more than 30 days after the giving of such notice), provided that the effective date for any termination by reason of the Employee's Disability shall be the 30th day after the giving of such notice, unless prior to such 30th day the Employee shall have resumed the full-time performance of his duties. The failure by the Employee or the

Company to set forth in the Notice of Termination any fact or circumstance which contributes to a showing of Cause, Disability or Good Reason shall not waive any right of the Employee or the Company, respectively, hereunder or preclude the Employee or the Company, respectively, from asserting such fact or circumstance in enforcing the Employee's or the Company's rights hereunder.

III.4 Accrued Obligations and Other Benefits. It is the intent of this Agreement that upon termination of employment for any reason following a Change of Control the Employee or his legal representatives be entitled to receive promptly, and in addition to any other benefits specifically provided, (a) the Employee's Base Salary through the date of termination to the extent not theretofore paid, (b) any accrued vacation pay, to the extent not theretofore paid, and (c) any other amounts or benefits required to be paid or provided or which the Employee or his legal representatives are entitled to receive under any plan, program, policy, practice or agreement of the Company, including without limitation all payments required to be made under the Company's supplemental executive retirement plan.

III.5 Stock Options and Other Incentives. The foregoing benefits provided for in this Article III are intended to be in addition to the value or benefit of any stock options, restricted stock, performance shares or similar awards, the exercisability, vesting or payment of which is accelerated or otherwise enhanced upon a Change of Control pursuant to the terms of any stock option incentive or other similar plan or agreement heretofore or hereafter adopted by the Company or the Post-Transaction Corporation; provided, however, that, upon any termination of the Employee other than for Cause within three years following a Change of Control, all of the Employee's then-outstanding vested stock options, whether granted before or during the Employment Term, shall remain exercisable until the later of the 190th day after the termination date or the end of the exercise period provided for in the applicable option agreement or plan as then in effect, but in no event shall such exercise period continue after the date on which such options would have expired if the Employee had remained an employee of the Company, the Post-Transaction Corporation or one of their respective Affiliates.

III.6 Excise Tax Provision. (a) Notwithstanding any other provisions of this Agreement, if a Change of Control occurs during the original or extended term of this Agreement, in the event that any payment or benefit received or to be received by the Employee in connection with the Change of Control or the termination of the Employee's employment (whether pursuant to the terms of this Agreement or any other plan, arrangement or agreement with the Company, any Person whose actions result in the Change of Control or any Person Affiliated with the Company or such Person) (all such payments and benefits, including without limitation the payments and benefits under Sections 3.3(a), 3.4(b), 3.4(c), 3.5 and 3.7 hereof, being hereinafter called "Payments") would be subject (in whole or in part) to an excise tax imposed by section 4999 of the Code or any interest or penalties are incurred by the Employee with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), the Company shall pay to the Employee at the time specified in paragraph (d) below an additional amount (the "Gross-up Payment") such that the net amount retained by the Employee, after deduction of any Excise Tax on the Payments and all taxes (including any interest or penalties imposed with respect to such taxes), including without limitation any federal, state and local income or payroll tax and any Excise Tax, imposed upon the Gross-up Payment provided for by this paragraph (a), but before deduction of any federal, state and local income or payroll tax on the Payments, shall be equal to the Payments.

(b) For purposes of determining whether any of the Payments and the Gross-up Payment (collectively, the "Total Payments") will be subject to the Excise Tax and the amount of such Excise Tax, (i) the Total Payments shall be treated as "parachute payments" within the meaning of section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of section 280G(b)(1) shall be treated as subject to the Excise Tax, except to the extent that in the opinion of tax counsel selected by the Company's independent auditors ("Auditors") and reasonably acceptable to the Employee ("Tax Counsel") such Total Payments (in whole or in part) do not constitute "parachute payments", or such "excess parachute payments" (in whole or in part) are not subject to the Excise Tax and (ii) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Auditors in accordance with the principles of sections 280G(d)(3) and (4) of the Code. The Auditors shall perform the calculations in conformance with the foregoing provisions and within 15 business days of the date that any Payments are made under this Agreement shall provide the Employee with a detailed written statement setting forth the manner in which the Total Payments are calculated and the basis for such calculations, including without limitation any opinions or other advice the Company has received from Tax Counsel, the Auditors or other advisors or consultants (and any such opinions or advice which are in writing shall be attached to the statement).

(c) For purposes of determining the amount of the Gross-up Payment, the Employee shall be deemed to pay federal income taxes at the highest marginal rates of federal income taxation applicable to individuals in the calendar year in which the Gross-up Payment is to be made and state and local income taxes at the highest marginal rates of taxation in the state and locality of the Employee's residence in the calendar year in which the Gross-up Payment is to be made, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes, taking into account any limitations applicable to individuals subject to federal income tax at the highest marginal rates.

(d) The initial Gross-up Payment, if any, as determined pursuant to this Section 3.6, shall be paid to the Employee within five days of the receipt of the Auditors' determination. If the Auditors determine that no Excise Tax is payable by the Employee, the Company shall cause the Auditors to furnish the Employee with an opinion that failure to report any Excise Tax on the Employee's applicable federal income tax return would not result in the imposition of a negligence or similar penalty.

(e) If it is established pursuant to a final determination of a court or Internal Revenue Service proceeding or the written opinion of Tax Counsel that the Excise Tax is less than the amount taken into account hereunder at the time the Gross-up Payment is made, the Employee shall repay to the Company within 30 days of the Employee's receipt of notice of such final determination or opinion the portion of the Gross-up Payment attributable to such reduction (plus the portion of the Gross-up Payment attributable to the Excise Tax, federal, state and local income tax and Excise Tax imposed on the portion of the Gross-up Payment being repaid by the Employee if such repayment results in a reduction of Excise Tax or federal, state and local income tax), plus interest on the amount of such repayment at the rate provided in section 1274(b)(2)(B) of the Code. Notwithstanding the foregoing, in the event any portion of the Gross-up Payment to be refunded to the Company has been paid to any federal, state and local tax authority, the payment thereof (and related amounts) shall not be required until actual refund or credit of such

portion has been made to the Employee, and interest payable to the Company shall not exceed the interest received or credited to the Employee by such tax authority for the period that it held such portion. The Employee and the Company shall endeavor to mutually agree upon the course of action to be pursued (and the method of allocating the expense thereof) if the Employee's claim for refund or credit is denied. If it is established pursuant to a final determination of a court or an Internal Revenue Service proceeding or the written opinion of Tax Counsel that the Excise Tax exceeds the amount taken into account hereunder at the time the Gross-up Payment is made (including by reason of any payment the existence or amount of which cannot be determined at the time of the Gross-up Payment), the Company shall make an additional Gross-up Payment in respect of such excess (plus any interest or penalties payable with respect to such excess), as determined by the Auditors, within 30 days of the Company's receipt of notice of such final determination or opinion.

(f) In the event of any controversy with the Internal Revenue Service (or other taxing authority) with regard to the Excise Tax, the Employee shall permit the Company to control issues relating to the Excise Tax (at its expense), provided that such issues do not potentially materially adversely affect the Employee, but the Employee shall control any other issues. In the event that the issues are interrelated, the Employee and the Company shall in good faith cooperate so as not to jeopardize resolution of either issue, but if the parties cannot agree, the Employee shall make the final determination with regard to the issues. In the event of any conference with any taxing authority as to the Excise Tax or associated income taxes, the Employee shall permit a representative of the Company to accompany the Employee, and the Employee and the Employee's representative shall cooperate with the Company and its representative. The Company and the Employee shall promptly deliver to each other copies of any written communications, and summaries of any verbal communications, with any taxing authority regarding the Excise Tax covered by this Section 3.6.

(g) The Company shall be responsible for all charges of the Tax Counsel and the Auditors.

(h) Notwithstanding any other provision in this Agreement to the contrary, if it is determined by the Auditors that the gross-up provisions in this Section 3.6 as they relate to the accelerated vesting of nonqualified stock options or restricted stock issued by the Company would be the sole reason precluding the use by the Company of the pooling of interests method of accounting, then the tax gross-up provisions of this Section 3.6 shall not apply to such nonqualified stock options or restricted stock as the case may be, unless the Gross-up Payment can be altered, modified or delayed to allow it to be paid without precluding the use of the pooling of interest method of accounting. The Company will use its best efforts to alter, modify, or delay the payment so that the Gross-up Payment can be made.

III.7 Legal Fees. The Company agrees to pay as incurred, to the full extent permitted by law, all legal fees and other expenses (including expert witness and accounting fees) which the Employee may reasonably incur as a result of any contest (regardless of the outcome thereof) by the Company, the Employee or others of the validity or enforceability of, or liability under, any provision of this Agreement (including as a result of any contest by the Employee about the amount or timing of any payment pursuant to this Agreement) or which the Employee may reasonably incur in connection with any tax audit or proceeding to the extent attributable to the application of section 4999 of the Code to any payment or benefit provided under this Agreement.

III.8 Set-Off; Mitigation. After a Change of Control, the obligations of the Company and its Affiliates to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company or its Affiliates may have against the Employee or others other than the Company's right to reduce welfare benefits under the circumstances described in Section 3.3(a)(iv). It is the intent of this Agreement that in no event shall the Employee be obligated to seek other employment or take any other action to mitigate the amounts or benefits payable to the Employee under any of the provisions of this Agreement.

III.9 Certain Pre-Change-of-Control Terminations. Notwithstanding any other provision of this Agreement, the Employee's employment shall be deemed to have been terminated following a Change of Control by the Company without Cause (and the Employee shall be entitled to receive all payments and benefits associated therewith) if the Employee's employment is terminated by the Company or any of its Affiliates without Cause prior to a Change of Control (whether or not a Change of Control actually occurs) and such termination (i) was at the request or direction of a third party who has taken steps designed to effect a Change of Control or otherwise arose in connection with or in anticipation of a Change of Control or (ii) occurred after discussions with a third party regarding a possible Change of Control transaction commenced and such discussions produced (whether before or after such termination) either a preliminary or definitive agreement with respect to such a transaction or a public announcement of the pending transaction (whether or not a Change of Control actually occurs). If the Employee takes the position that the foregoing sentence applies and the Company disagrees, the Company shall have the burden of proof in any such dispute.

ARTICLE IV MISCELLANEOUS

IV.1 Binding Effect; Successors.

(a) This Agreement shall be binding upon and inure to the benefit of the Company and any of its successors or assigns.

(b) This Agreement is personal to the Employee and shall not be assignable by the Employee without the consent of the Company (there being no obligation to give such consent) other than such rights or benefits as are transferred by will or the laws of descent and distribution, which shall inure to the benefit of the Employee's legal representatives.

(c) The Company shall require any successor to or assignee of (whether direct or indirect, by purchase, share exchange, merger, consolidation or otherwise) all or substantially all of the assets or businesses of the Company (i) to assume unconditionally and expressly this Agreement and

(ii) to agree to perform or to cause to be performed all of the obligations under this Agreement in the same manner and to the same extent as would have been required of the Company had no assignment or succession occurred, such assumption to be set forth in a writing reasonably satisfactory to the Employee.

(d) The Company shall also require all entities that control or that after the transaction will control (directly or indirectly) the Company or any such successor or assignee to agree to be performed all of the obligations under this Agreement, such agreement to be set forth in a writing reasonably satisfactory to the Employee.

(e) The obligations of the Company and the Employee which by their nature may require either partial or total performance after the expiration of the term of the Agreement shall survive such expiration.

IV.2 Notices. All notices hereunder must be in writing and shall be deemed to have been given upon receipt of delivery by: (a) hand (against a receipt therefor), (b) certified or registered mail, postage prepaid, return receipt requested, (c) a nationally recognized overnight courier service (against a receipt therefor) or (d) telecopy transmission with confirmation of receipt. All such notices must be addressed as follows:

If to the Company, to:

CenturyTel, Inc.
100 Century Park Drive
Monroe, Louisiana 71203

Attn: General Counsel

If to the Employee, to:

[]
100 Century Park Drive
Monroe, Louisiana 71203

(or, if the Employee is no longer employed at such address, to the Employee's last known principal residence reflected in the Company's records)

or such other address as to which any party hereto may have notified the other in writing.

IV.3 Governing Law. This Agreement shall be construed and enforced in accordance with and governed by the internal laws of the State of Louisiana without regard to principles of conflict of laws.

IV.4 Withholding. The Employee agrees that the Company has the right to withhold, from the amounts payable pursuant to this Agreement, all amounts required to be withheld under applicable income or employment tax laws, or as otherwise stated in documents granting rights that are affected by this Agreement.

IV.5 Amendment. No provision of this Agreement may be modified or amended except by an instrument in writing signed by both parties.

IV.6 Severability. If any term or provision of this Agreement, or the application thereof to any person or circumstance, shall at any time or to any extent be invalid, illegal or unenforceable in any respect as written, the Employee and the Company intend for any court construing this Agreement to modify or limit such provision so as to render it valid and enforceable to the fullest extent allowed by law. Any such provision that is not susceptible of such reformation shall be ignored so as to not affect any other term or provision hereof, and the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected thereby and shall be valid and enforced to the fullest extent permitted by law.

IV.7 Waiver of Breach. Except as expressly provided herein to the contrary, the failure by any party to enforce any of its rights hereunder shall not be deemed to be a waiver of such rights, unless such waiver is an express written waiver. The waiver by either party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

IV.8 Remedies Not Exclusive. No remedy specified herein shall be deemed to be such party's exclusive remedy, and accordingly, in addition to all of the rights and remedies provided for in this Agreement, the parties shall have all other rights and remedies provided to them by applicable law, rule or regulation, including without limitation the right to claim interest with respect to any payment not timely made hereunder.

IV.9 Company's Reservation of Rights. The Employee acknowledges and understands that (i) the Employee is employed at will by either the Company or one of its Affiliates (the "Employer"), (ii) the Employee serves at the pleasure of the board of directors of the Employer, and (iii) the Employer has the right at any time to terminate the Employee's status as an employee, or to change or diminish his status during the Employment Term, subject to the rights of the Employee to claim the benefits conferred by this Agreement. Notwithstanding any other provisions of this Agreement to the contrary, this Agreement shall not entitle the Employee or his legal representatives to any severance or

other benefits of any kind prior to a Change of Control or to any such benefits if Employee is not employed by the Company or one of its Affiliates on the date of a Change of Control, except in each case for those rights afforded under Section 3.9.

IV.10 Non-exclusivity of Rights. Subject to Section 4.9, nothing in this Agreement shall prevent or limit the Employee's continuing or future participation in any plan, program, policy or practice provided by the Company or any of its Affiliates and for which the Employee may qualify, nor shall anything herein limit or otherwise restrict such rights as the Employee may have under any contract or agreement with the Company or any of its Affiliates. The Employee shall not be obligated to furnish a release of any rights or claims against the Company or its Affiliates as a condition of receiving benefits hereunder.

IV.11 Confidentiality. Upon receipt of the payments or benefits contemplated by Section 3.3 hereof, the Employee agrees to refrain for a period of three years from divulging any non-public, confidential or proprietary information concerning the Company or its Affiliates to any Person other than the Company, its Affiliates or their respective officers, directors or advisors, provided that this obligation shall lapse prior to the end of such three-year period with respect to any information that (i) is or becomes generally available to the public other than as a result of a breach of this Section 4.11, (ii) is or becomes available to the Employee on a non-confidential basis from a source other than the Company or its representatives, provided that such source is not known by the Employee to have violated any confidentiality agreement with the Company in connection with such disclosure, or (iii) is acquired or developed independently by the Employee without violating this Section 4.11.

IV.12 Demand for Benefits. Unless otherwise provided herein, the payment or payments due hereunder shall be paid to the Employee without the need for demand, and to a beneficiary upon the receipt of the beneficiary's address and social security number. Nevertheless, the Employee or a Person claiming to be a beneficiary who claims entitlement to a benefit can file a claim for benefits hereunder with the Company. Unless otherwise provided herein, the Company shall accept or reject the claim within five business days of its receipt. If the claim is denied, the Company shall give the reason for denial in a written notice that refers to the provision of this Agreement that forms the basis of the denial. If any additional information or material is necessary to perfect the claim, the Company will identify these items in writing and explain why such additional information is necessary.

IV.13 Authority. The Company represents and warrants that (i) this Agreement was duly authorized by the Shareholder Relations Committee of the Board and the Compensation Committee of the Board on February 21, 2000 and by the Board on February 22, 2000, and (ii) no other corporate proceedings are necessary to authorize the Company's execution, delivery and performance of this Agreement.

IV.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Company and the Employee have caused this Agreement to be executed as of the Agreement Date.

[Signatures Intentionally Omitted]

CENTURYTEL, INC.
SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN
2000 RESTATEMENT

I. Purpose of the Plan

1.01 The CenturyTel, Inc. Supplemental Executive Retirement Plan (the "Plan") is intended to provide CenturyTel, Inc. and its subsidiaries with a method for attracting and retaining key employees, to provide a method for recognizing the contributions of such personnel, and to promote executive and managerial flexibility, thereby advancing the interests of CenturyTel, Inc. and its stockholders, by providing retirement benefits in addition to those provided under the general retirement programs of CenturyTel, Inc.

1.02 This 2000 Restatement of the Plan is intended to consolidate into one document all changes to the Plan since the 1995 Restatement, to clarify certain defined terms and provisions, and to provide for the following additional changes:

o to provide service credit for new participants for service only while a participant in the Plan;

o to incorporate an automatic cost of living adjustment to benefits payable under the Plan;

o to liberalize early retirement entitlement; and

o to provide for a subsidized early retirement adjustment for longer service participants.

II. Definitions

As used in this Plan, the following terms shall have the meanings indicated, unless the context otherwise specifies or requires:

2.01 "ACCRUED BENEFIT" shall mean, as of Normal Retirement Date, an amount equal to the basic monthly benefit to which a Participant is entitled in accordance with Section 5.01 using his Average Monthly Compensation, Estimated Social Security Benefit and Credited Service determined as of his Normal Retirement Date. "Accrued Benefit", as of any given date other than Normal Retirement Date, shall mean an amount equal to the basic monthly benefit to which a Participant is entitled in accordance with Section 5.01 using his Average Monthly Compensation, Estimated Social Security Benefit and Credited Service as of such given date, in lieu of Normal Retirement Date.

2.02 "ACTUARIAL EQUIVALENT" shall mean the equivalent in value of the amounts expected to be received under the Plan under different forms of payment.

For purposes of the determination of the present value of a Participant's Accrued Benefit, actuarial equivalency shall be based upon an interest rate equal to the annual rate of interest on 30- year United States Treasury securities for the full calendar month preceding the January 1, April 1, July 1 and October 1 Plan quarter that contains the date of distribution, and the 1983 Group Annuity Mortality Table (50% male, 50% female) for pre-retirement and post-retirement mortality.

For all other purposes, actuarial equivalency shall be based upon an interest assumption of five percent (5%), and the 1983 Group Annuity Mortality Table (50% male, 50% female) for pre- retirement and post-retirement mortality.

2.03 "AVERAGE MONTHLY COMPENSATION" shall mean the average of the thirty six (36) consecutive months' Compensation of a Participant which produce the highest average out of the last one hundred twenty (120) months of participation. Any period of unpaid Leave of Absence will be excluded for purposes of determining Average Monthly Compensation, and periods of service preceding and following an unpaid Leave of Absence may be combined. If a Participant's period of participation is less than thirty-six (36) months, Average Monthly Compensation shall be determined utilizing all of the Participant's months of service.

2.04 "BENEFIT SERVICE" shall mean employment for which a Participant is entitled to receive service credit for accrual of benefits under the Plan in accordance with the provisions of Section 4.02.

2.05 "BOARD OF DIRECTORS" shall mean not less than a quorum of the whole Board of Directors of CenturyTel, Inc.

2.06 "CHANGE IN CONTROL" shall mean the occurrence of any of the following:

(a) the acquisition by any person of beneficial ownership of 30% or more of the outstanding shares of the common stock, \$1.00 par value per share (the "Common Stock") of CenturyTel, Inc. ("CenturyTel"), or 30% or more of the combined voting power of CenturyTel's then outstanding securities entitled to vote generally in the election of directors; provided, however, that for purposes of this subsection (a), the following acquisitions shall not constitute a Change of Control:

(i) any acquisition (other than a Business Combination (as defined below) which constitutes a Change of Control under Section 2.06(c) hereof)

of Common Stock directly from CenturyTel,

(ii) any acquisition of Common Stock by CenturyTel or its subsidiaries,

(iii) any acquisition of Common Stock by any employee benefit plan (or related trust) sponsored or maintained by CenturyTel or any corporation controlled by CenturyTel, or

(iv) any acquisition of Common Stock by any corporation pursuant to a Business Combination that does not constitute a Change of Control under Section 2.06(c) hereof; or

(b) individuals who, as of January 1, 2000, constitute the Board of Directors of CenturyTel (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board of Directors; provided, however, that any individual becoming a director subsequent to such date whose election, or nomination for election by CenturyTel's shareholders, was approved by a vote of at least two-thirds of the directors then comprising the Incumbent Board shall be considered a member of the Incumbent Board, unless such individual's initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Incumbent Board; or

(c) consummation of a reorganization, share exchange, merger or consolidation (including any such transaction involving any direct or indirect subsidiary of CenturyTel), or sale or other disposition of all or substantially all of the assets of CenturyTel (a "Business Combination"); provided, however, that in no such case shall any such transaction constitute a Change of Control if immediately following such Business Combination:

(i) the individuals and entities who were the beneficial owners of CenturyTel's outstanding Common Stock and CenturyTel's voting securities entitled to vote generally in the election of directors immediately prior to such Business Combination have direct or indirect beneficial ownership, respectively, of more than 50% of the then outstanding shares of Common Stock, and more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the surviving or successor corporation, or, if applicable, the ultimate parent company thereof (the "Post-Transaction Corporation"), and

(ii) except to the extent that such ownership existed prior to the Business Combination, no person (excluding the Post-Transaction Corporation and any employee benefit plan or related trust of either CenturyTel, the Post-Transaction Corporation or any subsidiary of either corporation) beneficially owns, directly or indirectly, 20% or more of the then outstanding shares of Common Stock of the corporation resulting from such Business Combination or 20% or more of the combined voting power of the then outstanding voting securities of each corporation, and

(iii) at least a majority of the members of the board of directors of the Post-Transaction Corporation were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the Board of Directors, providing for such Business Combination; or

(d) approval by the shareholders of CenturyTel of a complete liquidation or dissolution of CenturyTel.

For purposes of this Section 2.06, the term "person" shall mean a natural person or entity, and shall also mean the group or syndicate created when two or more persons act as a syndicate or other group (including, without limitation, a partnership or limited partnership) for the purpose of acquiring, holding, or disposing of a security, except that "person" shall not include an underwrite temporarily holding a security pursuant to an offering of the security.

2.07 "COMMITTEE" shall mean three (3) or more members of the Board of Directors as described in Section 15.01 of the Plan, or the Board of Directors if no Committee has been appointed.

2.08 "COMPANY" shall mean CenturyTel, Inc., any Subsidiary thereof, and any affiliate designated by the Company as a participating employer under this Plan.

2.09 "COMPENSATION" shall mean the sum of a Participant's Salary, determined under Section 2.19, and Incentive Compensation, determined under Section 2.14, for a particular month.

2.10 "DISABILITY" shall mean a condition which makes a Participant unable to perform each of the material duties of his regular occupation where he is likely to remain thus incapacitated continuously and permanently, as determined by the Committee pursuant to its authority granted under Article XV hereof.

2.11 "EFFECTIVE DATE" of this Restatement shall be February 22, 2000, for Participants employed and participating in the Plan as of such date, except as may otherwise be provided in specific Articles or Sections hereof. Notwithstanding the foregoing, (1) the survivor annuity provided under Article IX hereof shall only apply to Participants who had not retired as of July 1, 1994 and whose date of death was on or after July 1, 1994, and the amendment to the definition of Compensation contained in the 1994 Amendment and Restatement of the Plan shall apply to Compensation paid on or after January 1, 1994, (2) the benefits provided hereunder for Jim D. Reppond and C. Kenneth Conrad shall be computed without regard to the amendment to the definition of Compensation contained in the 1994 Amendment and Restatement of the Plan

and the provision of the survivor annuity referenced in the preceding sentence, and (3) the amendments to the Plan contained in the 2000 Restatement shall not apply to any Participant who terminated employment prior to February 22, 2000. Any such Participant's benefit shall be determined pursuant to the terms of the Plan as in effect prior to the 2000 Restatement.

2.12 "EMPLOYER" shall mean CenturyTel, Inc., any Subsidiary thereof, and any affiliate designated by the Company as a participating employer under this Plan.

2.13 "ESTIMATED SOCIAL SECURITY BENEFIT" shall mean the monthly primary insurance amount calculated to be available at age sixty five (65) based on the Social Security law in effect on the Participant's Normal Retirement Date or an earlier date of determination. The primary insurance amount of a Participant who terminates prior to Normal Retirement Date shall be based on the assumption that the Participant earns no compensation between his termination date and his Normal Retirement Date.

2.14 "INCENTIVE COMPENSATION" shall mean the monthly equivalent of the amount awarded to a Participant under the Company's Key Employee Incentive Compensation Program, or other incentive compensation arrangement maintained by the Company and listed on a Schedule attached hereto, including the amount of any stock award in its cash equivalent at the time of conversion of the award from cash to stock. A Participant's Incentive Compensation shall be determined on a monthly basis by dividing the amount of the Incentive Compensation award by the number of months to which the award relates. Each award of Incentive Compensation shall, for purposes of this Plan, be allocated to the month or months to which the award relates, i.e., that period of time during which the award was earned.

2.15 "LEAVE OF ABSENCE" shall mean any extraordinary absence authorized by the Employer under the Employer's standard personnel practices.

2.16 "NORMAL RETIREMENT DATE" shall mean the first day of the month coincident with or next following a Participant's sixty-fifth (65th) birthday.

2.17 "PARTICIPANT" shall mean any officer of the Employer who is granted participation in the Plan in accordance with the provisions of Article III.

2.18 "PLAN" shall mean this CenturyTel, Inc. Supplemental Executive Retirement Plan, as amended and restated herein.

2.19 "SALARY" shall mean the monthly equivalent of a Participant's base rate of pay, exclusive, however, of bonus payments, overtime payments, commissions, imputed income on life insurance, vehicle allowances, relocation expenses, severance payments, and any other extra compensation.

2.20 "SUBSIDIARY" shall mean any corporation in which the Company owns directly or indirectly through subsidiaries, at least fifty percent (50%) of the combined voting power of all classes of stock.

2.21 "VESTING SERVICE" shall mean employment for which a Participant is entitled to receive service credit for vesting in benefits under the Plan in accordance with the provisions of Section 4.01.

III. Participation

3.01 Any officer who is either one of the key employees of the Company in a position to contribute materially to the continued growth and future financial success of the Company, or one who has made a significant contribution to the Company's operations, thereby meriting special recognition, shall be eligible to participate provided all of the following requirements are met:

- a. The officer is employed on a full-time basis by the Company;
- b. The officer is compensated for full-time employment by a regular salary; and
- c. The coverage of the officer is duly approved by the Board of Directors.

It is intended that participation in this Plan shall be extended only to those officers who are members of a select group of management and highly compensated employees, as determined by the Committee.

3.02 Any officer who is currently a Participant in the Plan as of the effective date of this Restatement shall continue to be a Participant in the Plan as amended and restated, subject, however, to designation by the Committee for participation in future years.

3.03 Any officer who met the requirements defined in Section 3.01, who was age 60 as of November 21, 1983, and who was employed by the Company on January 1, 1990, will receive benefits equal to the greater of:

- a. the benefit determined under this Plan, or

b. a monthly benefit equal to sixty-five percent (65%) of Salary offset by retirement income payable to the individual executive from:

1. Social Security (Primary Insurance Amount only) determined as of date of retirement under the Social Security Act.

2. The Company's Stock Bonus Plan and PAYSOP (in which case the Stock Bonus Plan and PAYSOP accumulation at date of determination will be converted to a monthly annuity on a straight life basis based upon actuarial assumptions with respect to mortality and investment return). The mortality assumptions will be based upon the 1971 Group Annuity Mortality Table. The investment return assumption will reflect current market conditions as measured by the 52-week Treasury bill rate as determined monthly.

3. Benefits payable from any qualified or nonqualified plan attributable to prior employment for those officers who are hired on or after attainment of age

55 (in which case the benefit(s) will be expressed in terms of a monthly annuity on a straight life basis payable at date of retirement).

IV. Vesting Service and Benefit Service.

4.01 For a Participant whose effective date of participation in the Plan, as designated by the Committee, is prior to January 1, 2000, Vesting Service for vesting of benefits hereunder, and Benefit Service for purposes of accrual of benefits hereunder, shall be credited for each year of employment with the Company, calculated in completed years and months regardless of the number of hours worked. Vesting Service and Benefit Service will include all years of service with the Company, including years of service prior to becoming an officer of the Company, years of service following Normal Retirement Date, and years of service with any Subsidiary or any affiliate designated by the Company as a participating employer under this Plan. In addition, periods of Leave of Absence shall count as periods of Vesting Service and Benefit Service. A fraction of a year of Vesting Service and Benefit Service will be given for completed months during the year of termination of employment of a Participant.

4.02 For a Participant whose effective date of participation in the Plan, as designated by the Committee, is on or after January 1, 2000, Vesting Service and Benefit Service will only be credited for years commencing as of the year in which the Participant's participation in the Plan is effective, and will not include years prior to the Participant's effective date of participation in the Plan.

4.03 Notwithstanding the provisions of Sections 4.01 and 4.02, a Participant who terminates employment with the Company and is subsequently re-hired, or a Participant who ceases to participate in the Plan for any other reason, shall receive credit for purposes of Vesting Service and Benefit Service for his service after his re-employment or cessation of participation only for such periods of service during which he is a participant in the Plan. A Participant shall not receive service credit after his re-employment or cessation of participation for periods of service during which he is not a participant in the Plan.

4.04 At the discretion of the Board of Directors, service with a predecessor employer may be credited for purposes of vesting or benefit accrual under this Plan. If any such service is credited to a Participant for benefit accrual purposes, the benefit payable under this Plan shall be reduced by any benefit payable from the prior employer. The Board of Directors shall make a determination whether any service with a predecessor employer will be credited to a Participant prior to the Participant's commencement of participation in this Plan, and such determination, once made, shall be irrevocable. If no determination is made by the Board of Directors prior to a Participant's commencement of participation in this Plan, service with a predecessor employer by such Participant shall not be credited for any purpose under this Plan.

V. Normal Retirement

5.01 Except as provided in Section 3.03, the monthly retirement benefit payable to a Participant on his Normal Retirement Date shall be equal to (a) plus (b) less (c), where:

(a) is 3% of Average Monthly Compensation multiplied by Benefit Service, not greater than ten (10) years.

(b) is 1% of Average Monthly Compensation multiplied by Benefit Service, for Benefit Service years greater than ten (10) years and not greater than twenty five (25) years.

(c) is 4% of Estimated Social Security Benefit, multiplied by Benefit Service, not greater than twenty five (25) years.

5.02 The normal form of payment of a Participant's normal retirement benefit shall be an annuity payable for the life of the Participant.

5.03 The amount of monthly benefit payable to a Participant, as computed under Section 5.01, shall be increased annually to reflect increases in cost of living, at a rate of three percent (3%) per annum, starting with the year of benefit commencement. This increase shall take into effect as of January 1 of each year; provided, however, that the initial amount of increase for a Participant who commences receiving distributions in a year, effective as of the following January 1, shall be pro-rated, based on the number of months in such year during which the Participant received distributions.

VI. Late Retirement

6.01 If a Participant remains employed beyond his Normal Retirement Date, his late retirement date will be the first day of the month coincident with or next following his actual date of retirement.

6.02 A Participant's late retirement benefit will be calculated in accordance with Section 5.01, based on his Average Monthly Compensation and Benefit Service as of his late retirement date. His Estimated Social Security Benefit will be computed as of his Normal Retirement Date based on the Social Security law in effect on such date.

VII. Early Retirement

7.01 A Participant who has attained age fifty five (55), and who has completed ten (10) or more years of Benefit Service, is eligible for early retirement. An eligible Participant's early retirement date is the first day of the month coincident with or next following the date he terminates employment.

7.02 A Participant who has completed ten (10) years of Benefit Service as of the date of his termination of employment, but who has not yet attained age fifty five (55) as of such date, shall be eligible for early retirement upon attainment of age fifty five (55). Such Participant's early retirement date shall be the first day of the month coincident with or next following the date on which he attains age fifty five (55).

7.03 A Participant's early retirement benefit is one hundred percent (100%) of his Accrued Benefit computed as of his early retirement date, payable at his Normal Retirement Date.

7.04 A Participant who has attained age fifty five (55) and has completed ten (10) or more, but less than fifteen (15), years of Benefit Service, may elect to receive his early retirement benefit prior to Normal Retirement Date, in which event the benefit payable will be reduced according to the following schedule:

Age at Commencement	Percentage of Accrued Benefit	
55	50	%
56	53	%
57	56	%
58	60	%
59	63	%
60	66	%
61	73	%
62	80	%
63	86	%
64	93	%
65	100	%

7.05 A Participant who has attained age fifty five (55) and has completed fifteen (15) or more, but less than twenty five (25), years of Benefit Service, may elect to receive his early retirement benefit prior to Normal Retirement Date, in which event the benefit payable will be reduced according to the following schedule:

Age at Commencement	Percentage of Accrued Benefit	
55	70	%
56	73	%
57	76	%
58	79	%
59	82	%
60	85	%
61	88	%
62	91	%
63	94	%
64	97	%
65	100	%

7.06 A Participant who has attained age fifty five (55) and has completed twenty five (25) or more years of Benefit Service, may elect to receive his early retirement benefit prior to Normal Retirement Date, in which event the benefit payable will be reduced according to the following schedule:

Age at Commencement	Percentage of Accrued Benefit	
55	80	%
56	82	%
57	84	%
58	86	%
59	88	%
60	90	%
61	92	%

62	94	%
63	96	%
64	98	%
65	100	%

7.07 The Board of Directors, in its sole discretion, may grant to a Participant one hundred percent (100%) of his Accrued Benefit payable at his early retirement date, without such benefit being subject to the reductions set forth in Section 7.04, provided the Participant has met the requirements of Section 7.01 or 7.02.

VIII. Disability

8.01 A Participant who becomes disabled, as defined in Section 2.10, prior to retirement or termination of service will be entitled to a disability benefit computed in accordance with Section 8.02.

8.02 A Participant's disability benefit will be calculated in accordance with Section 5.01 based on (1) his Average Monthly Compensation projected to Normal Retirement Date assuming his Compensation as of the date of his disability remains constant, (2) his projected service to Normal Retirement Date and (3) his Estimated Social Security Benefit based on the Social Security law in effect on the date of his disability. If a Participant subsequently participates in the Plan, such Participant's service attributable to his subsequent participation shall not be credited for any purpose under the Plan.

8.03 A Participant's disability benefit will commence at his Normal Retirement Date, and the normal form of benefit payment will be an annuity payable for the life of the Participant.

IX. Death Benefit

9.01 Upon the death of a Participant who is actively employed or on Leave of Absence at the time of his death, or who has retired or become disabled and has not commenced receiving benefit payments hereunder, the Participant's beneficiary (as determined under Section 9.05) will be entitled to receive a death benefit determined in accordance with Section 9.02.

9.02 The monthly death benefit payable under Section 9.01 to the beneficiary of a Participant shall be equal to (a) less (b), where:

(a) is thirty six percent (36%) of Average Monthly Compensation projected to his Normal Retirement Date assuming his Compensation as of his date of death remains constant until his Normal Retirement Date.

(b) the amount of Estimated Social Security Benefit, based on the Social Security law in effect as of the date of his death or age 65, if earlier, received by the beneficiary, or to which the beneficiary may be entitled, as determined by the Committee.

9.03 Upon the death of a Participant who has terminated employment prior to death for reasons other than retirement or disability, and who was one hundred percent (100%) vested under the vesting schedule contained in Section 10.01 at the time of termination of employment, the Participant's beneficiary (as determined under Section 9.05) will be entitled to receive a monthly death benefit computed as follows:

Fifty percent (50%) of the Accrued Benefit of the Participant determined under Section 2.01 as of his date of termination of employment.

9.04 The monthly death benefit determined under Section 9.01 or 9.03 shall commence as of the date on which the Participant would have reached the Normal Retirement Date applicable to the Participant, or date of death, if later; provided, however, that the surviving spouse of the Participant shall have the right to elect for benefit payments to commence prior to such date pursuant to applicable sections of this Plan providing for early commencement of benefit payments, including but not limited to Sections 7.01, 7.02, 7.04, 7.05, 7.06 and 10.02.

9.05 The beneficiary of a Participant who is married on the date of his death shall be his spouse. The beneficiary of an unmarried Participant shall be his living children as of his date of death.

9.06 The death benefit shall be paid to the surviving spouse, if any, of the Participant for his or her life. If the Participant is unmarried at the date of death, or if the surviving spouse dies subsequent to the Participant's death, the death benefit shall be paid to the Participant's surviving child or children (or legal representative of any minor child) in equal shares. The death benefit payable to a child shall terminate upon the later of the child's attainment of age nineteen (19) or age twenty three (23), if a full-time student at an accredited educational institution, and such share shall thereafter revert to and be payable equally to the remaining surviving children of the Participant until the interest of each such surviving child has terminated.

9.07 If a Participant has no surviving spouse or children at the date of his or her death, no death benefit shall be paid under this Plan.

X. Termination of Service

10.01 If a Participant terminates service prior to death, disability or retirement, his Accrued Benefit determined under Section 2.01 shall be vested in accordance with the following schedule:

Years of Vesting Service	Vested %
less than 5	0%
5 or more	100%

10.02 A Participant's vested Accrued Benefit is payable at his Normal Retirement Date. A Participant may elect to have his benefit commence prior to age sixty five (65) but after age fifty five (55) if he meets the service requirements for early retirement pursuant to Section 7.01 or 7.02. If the benefit commences before age sixty five (65), the amount of monthly benefit will be reduced according to the applicable schedule set forth in Section 7.04, 7.05 or 7.06.

XI. Change in Control

11.01 Notwithstanding anything to the contrary in this Plan or in any applicable law or regulation, upon the earlier of (i) the occurrence of a Change in Control, (ii) the date that any person or entity submits an offer or proposal to the Company that results in or leads to a Change in Control (whether by such person or any other person) or (iii) the date of the public announcement of a Change in Control or an offer, proposal or proxy solicitation that results in or leads to a Change in Control (whether by the person or entity making such announcement or any other person) (the earliest of such dates being hereinafter referred to as the "Effective Date"), the Accrued Benefit of each Participant (other than any Participant whose service as an employee was terminated prior to full vesting of his Accrued Benefit under Section 10.01) and the benefits conferred under this Section shall automatically vest and thereafter may not be adversely affected in any matter without the prior written consent of the Participant. Notwithstanding anything to the contrary in this Plan, upon the occurrence of a Change in Control any Participant who is then employed by CenturyTel or its subsidiaries ("Active Participants") shall have an irrevocable right to receive, and the Company shall be irrevocably obligated to pay, a lump sum cash payment in an amount determined pursuant to this Section if the Company or its successor, during a period commencing upon the Effective Date and ending on the third anniversary of the occurrence of the Change in Control, (i) terminates the Active Participant's employment, (ii) reduces the Active Participant's salary in effect immediately prior to the Effective Date, (iii) diminishes the Active Participant's duties, responsibilities or position in the management of the Company or (iv) requires the Active Participant to relocate involuntarily to an office outside of the city in which he performed his services for the Company immediately prior to the Effective Date (each such action being referred to as an "Effective Termination"). The lump sum cash payment payable to Active Participants under this Section (the "Lump Sum Payment") shall be paid on the date of Effective Termination or as soon thereafter as is administratively feasible.

11.02 The amount of each Lump Sum Payment shall be determined as follows:

(a) With respect to any Active Participant who, after giving effect to the terms of subsection (d) below, is eligible as of the date of Effective Termination to receive benefits under Articles V or VI of this Plan, the Lump Sum Payment shall equal the Present Value (as defined below) of the stream of payments to which such participant would have otherwise been entitled to receive immediately upon Effective Termination in accordance with Articles V or VI of this Plan (assuming such benefits are paid in the form of a lifetime annuity), based upon such participant's Average Monthly Compensation, Estimated Social Security Benefit and Benefit Service as of the date of Effective Termination, without giving effect to any salary reductions that gave rise to such Effective Termination, but after giving effect to the terms of subsection (d) below.

(b) With respect to any Active Participant who, after giving effect to the terms of subsection (d) below, is not eligible as of the date of Effective Termination to receive benefits under Articles V, VI or VII of this Plan, the Lump Sum Payment shall equal the product of (1) the Present Value, calculated as of age sixty five (65), of the stream of payments to which such participant would have otherwise been entitled to receive at age sixty five (65) in accordance with the terms of this Plan based on the same assumptions and terms set forth in subsection (a) above, multiplied times (2) such discount factor as is necessary to reduce the amount determined under subsection (b)(i) above to its Present Value, it being understood that in calculating such discount factor, no discount shall be applied to reflect the possibility that such participant may die prior to attaining age sixty five (65).

(c) With respect to any Active Participant who, after giving effect to the terms of subsection (d) below, is eligible as of the date of Effective Termination to receive benefits under Article VII of the Plan, the Lump Sum Payment shall equal the greater of (1) the Present Value of the stream of payments to which such participant would have otherwise been entitled to receive immediately upon Effective Termination in accordance with Article VII of this Plan, based upon the assumptions and terms set forth in subsection (a) above, or (2) the present Value, calculated as of age sixty five (65), of the stream of payments to which such participant would otherwise be entitled to receive at age sixty five (65) in accordance with this Plan, determined in the same manner and subject to the same assumptions and terms set forth in subsection (b) above.

(d) In calculating the Lump Sum Payment due to any Active Participant under this Section, the number of years of Benefit Service of the Active Participant shall be deemed to equal the number of years determinable under the other sections of this Plan plus three years and the Active Participant's age shall be deemed to equal his actual age plus three years; provided, however, that in no event shall the provisions of this subsection be applicable if the application thereof will reduce the Active Participant's Lump Sum Payment from the amount that would otherwise be payable with the addition of less than three years of service, age or both.

(e) As used in this Section with respect to any amount, the "Present Value" of such amount shall mean the discounted value of such amount that is determined by making customary present value calculations in accordance with generally accepted actuarial principles, provided that (1) the discount interest rate applied in connection therewith shall equal the interest rate for AAA rated, tax exempt Insured Revenue Bonds with Five Year maturity as quoted by the Bond Market Association (BMA) as of the first day of the calendar quarter for which the calculations are performed or, in the event such index is no longer published, any similar index for comparable municipal securities and (2) the mortality tables applied in connection therewith shall be "1983 Group Annuity Mortality Table (50% male/50% female)" as prescribed by the Pension Benefit Guaranty Corporation or any successor table prescribed by such organization.

11.03 Notwithstanding anything to the contrary in this Plan, upon the sooner of the occurrence of a Change in Control or the approval by the Board of Directors of the Company of any Change in Control, the Company shall promptly consult with each Participant who has already begun to receive periodic payments under this Plan ("Retired Participants") and, following such consultations, the Company shall have the option with respect to each Retired Participant to (i) confirm in writing its obligation to continue to provide to such Retired Participant all benefits hereunder in the same manner provided prior to the Change in Control or (ii) make a lump sum cash payment in an amount equal to the Present Value of the participant's future stream of payments which would otherwise be payable under this Plan. If the Company elects to furnish any Retired Participant with a lump sum cash payment, the Company shall offer to assist such participant in purchasing at such participant's cost an annuity for the benefit of such participant.

11.04 Notwithstanding anything to the contrary in this Plan, upon the occurrence of Change in Control, any Participant (other than a Retired Participant) who is then a former employee of CenturyTel or its subsidiaries whose Accrued Benefit is vested under Section 10.01 ("Inactive Participants") shall have an irrevocable and unconditional right to receive, and the Company shall be irrevocably and unconditionally obligated to pay, a lump sum payment in an amount determined in the manner provided in subsection (b) or (c), as applicable; provided, however, that no Inactive Participant will be entitled to the benefits of subsection (d).

XII. Form of Benefit Payment

12.01 The normal form of benefit payment is a monthly lifetime annuity payable in accordance with the Company's standard payroll practices.

12.02 A Participant may elect an optional form of payment which is the Actuarial Equivalent of a Participant's basic monthly pension, as follows:

Option 1: A reduced monthly pension payable for the lifetime of the Participant with a minimum of sixty (60) monthly payments guaranteed.

Option 2: A reduced monthly pension payable for the lifetime of the Participant with a minimum of one hundred twenty (120) monthly payments guaranteed.

Option 3: A reduced monthly pension payable for the lifetime of the Participant with a minimum of one hundred eighty (180) monthly payments guaranteed.

Option 4: A reduced monthly pension, payable to the Participant for the life of the Participant, with monthly payments of one-half (1/2) the reduced amount that was payable monthly to the Participant payable after the Participant's death for the life of the Participant's spouse.

Option 5: A reduced monthly pension payable to the Participant for the life of the Participant, with reduced monthly payments of two thirds (2/3) of the reduced amount that was payable monthly to the Participant payable after the Participant's death for the life of the Participant's spouse.

Option 6: A reduced monthly pension payable to the Participant for the life of the Participant, with reduced monthly payments of three fourths (3/4) of the reduced amount that was payable monthly to the Participant payable after the Participant's death for the life of the Participant's spouse.

Option 7: A reduced monthly pension payable to the Participant for the life of the Participant, with the same monthly pension payable after the Participant's death for the life of the Participant's spouse.

12.03 If a Participant does not elect an optional form of benefit payment under Section 12.02, such Participant's benefits shall be paid in the normal form provided in Section 12.01.

XIII. Reemployment of Participants

13.01 If a Participant retires or otherwise terminates employment with the Employer and such Participant is reemployed by the Employer, his entitlement to any benefits will be determined on the basis of the provisions of the Plan in effect on his subsequent termination date. The benefit will be based on the Average Monthly Compensation, Estimated Social Security Benefit and Benefit Service as of the date of subsequent termination, taking into account all Benefit Service prior to the Participant's reemployment date. For purposes of calculating Average Monthly Compensation, the average of the thirty six (36) consecutive months' Compensation which produce the highest average out of the last one hundred twenty (120) months of employment will be considered, without regard to the break in service.

13.02 If a Participant is reemployed after benefit commencement, the payment of any benefit to such Participant under the Plan on account of his retirement or severance shall be suspended by reason of such reemployment. The amount of his benefit at his subsequent termination will be calculated in accordance with Section 13.01 but reduced by the Actuarial Equivalent of any benefit payments received prior to both his subsequent termination and his attainment of age sixty five (65).

13.03 The form of monthly benefit payment upon subsequent termination shall be the form of payment that was in effect prior to reemployment. If the Participant was married at the time of benefit commencement, and if the Participant's spouse dies prior to subsequent commencement of benefit payments, such form of payment shall remain applicable (as though he were married to his deceased spouse).

XIV. Additional Restrictions on Benefit Payments

14.01 In no event will there be a duplication of benefits payable under the Plan because of employment by more than one participating Employer.

XV. Administration and Interpretation

15.01 The Plan shall be administered by the Board of Directors through a Committee which shall consist of three or more members of the Board of Directors of the Company. No individual who is or has ever been a participant or eligible to receive payments under this Plan shall be designated as a member of the Committee. The Committee shall have full power and authority to interpret and administer the Plan and, subject to the provisions herein set forth, to prescribe, amend and rescind rules and regulations and make all other determinations necessary or desirable for the administration of the Plan. The Board may from time to time appoint additional members of the Committee or remove members and appoint new members in substitution for those previously appointed and to fill vacancies however caused.

15.02 The decision of the Committee relating to any question concerning or involving the interpretation or administration of the Plan shall be final and conclusive, and nothing in the Plan shall be deemed to give any employee any right to participate in the Plan, except to such extent, if any, as the Committee may have determined or approved pursuant to the provisions of the Plan.

XVI. Nature of the Plan

Benefits under the Plan shall generally be payable by the Company from its own funds, and such benefits shall not (i) impose any obligation upon the trust(s) of the other employee benefit programs of the Company; (ii) be paid from such trust(s); nor (iii) have any effect whatsoever upon the amount or payment of benefits under the other employee benefit programs of the Company. Participants have only an unsecured right to receive benefits under the Plan from the Company as general creditors of the Company. The Company may deposit amounts in the CenturyTel, Inc. Supplemental Executive Retirement Trust (the "Trust") established by the Company for the purpose of funding the Company's obligations under the Plan. Participants and their beneficiaries, however, have no secured interest or special claim to the assets of the Trust, and the assets of the Trust shall be subject to the payment of claims of general creditors of the Company upon the insolvency or bankruptcy of the Company, as provided in the Trust.

XVII. Employment Relationship

An employee shall be considered to be in the employment of the Company and its subsidiaries as long as he remains an employee of either the Company, any Subsidiary of the Company, or any corporation to which substantially all of the assets and business of the Company are transferred. Nothing in the adoption of this Plan nor the designation of any Participant shall confer on any employee the right to continued employment by the Company or a Subsidiary of the Company, or affect in any way the right of the Company or such Subsidiary to terminate his employment at any time. Any question as to whether and when there has been a termination of an employee's employment, and the cause, notice or other circumstances of such termination, shall be determined by the Board, and its determination shall be final.

XVIII. Amendment and Termination of Plan

The Board of Directors of the Company in its sole discretion may terminate the Plan at any time, and shall have the right to alter or amend the Plan or any part thereof from time to time, except that the Board of Directors shall not terminate the Plan or make any alteration or amendment thereto which would impair any rights or benefits of a Participant previously accrued.

XIX. Binding Effect

This Plan shall be binding on the Company, each Subsidiary, and any affiliate designated by the Company as a participating employer under this Plan, the successors and assigns thereof, and any entity to which substantially all of the assets or business of the Company, a Subsidiary, or a participating affiliate are transferred.

XX. Reimbursement to Participants

The Company shall reimburse any Participant, or beneficiary thereof, for all expenses, including attorney's fees, actually and reasonably incurred by the Participant or beneficiary in any proceeding to enforce any of their rights under this Plan.

XXI. Construction

The masculine gender, where appearing in the Plan, shall be deemed to include the feminine gender, and the singular may indicate the plural, unless the context clearly indicates the contrary. The words "hereof", "herein", "hereunder" and other similar compounds of the word "here" shall, unless otherwise specifically stated, mean and refer to the entire Plan, not to any particular provision or Section. Article and Section headings are included for convenience of reference and are not intended to add to, or subtract from, the terms of the Plan.

IN WITNESS WHEREOF, CenturyTel, Inc. has executed this restated Plan in its corporate name and its corporate seal to be hereunto affixed this ____ day of _____, 2000.

ATTEST:

CENTURYTEL, INC.

By: _____
R. Stewart Ewing, Jr.
Executive Vice President and
Chief Financial Officer

EXHIBIT 11
CENTURYTEL, INC.

COMPUTATIONS OF EARNINGS PER SHARE
(UNAUDITED)

	Three months ended March 31,	
	2000	1999
	(Dollars, except per share amounts, and shares in thousands)	
Income (Numerator):		
Net income	\$ 49,284	61,105
Dividends applicable to preferred stock	(99)	(102)
Net income applicable to common stock	49,185	61,003
Dividends applicable to preferred stock	99	102
Interest on convertible securities, net of taxes	33	63
Net income as adjusted for purposes of computing diluted earnings per share	\$ 49,317	61,168
Shares (Denominator):		
Weighted average number of shares:		
Outstanding during period	140,151	138,594
Employee Stock Ownership Plan shares not committed to be released	(414)	(508)
Number of shares for computing basic earnings per share	139,737	138,086
Incremental common shares attributable to dilutive securities:		
Conversion of convertible securities	707	1,019
Shares issuable under stock option plan	1,284	1,923
Number of shares as adjusted for purposes of computing diluted earnings per share	141,728	141,028
Basic earnings per share	\$.35	.44
Diluted earnings per share	\$.35	.43

ARTICLE 5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE UNAUDITED CONSOLIDATED BALANCE SHEET OF CENTURYTEL, INC. AND SUBSIDIARIES AS OF MARCH 31, 2000 AND THE RELATED UNAUDITED CONSOLIDATED STATEMENT OF INCOME FOR THE THREE MONTH PERIOD THEN ENDED AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

MULTIPLIER: 1,000

PERIOD TYPE	3 MOS
FISCAL YEAR END	DEC 31 2000
PERIOD START	JAN 01 2000
PERIOD END	MAR 31 2000
CASH	62,629
SECURITIES	0
RECEIVABLES	213,147
ALLOWANCES	4,185
INVENTORY	26,404
CURRENT ASSETS	306,902
PP&E	4,239,608
DEPRECIATION	2,007,218
TOTAL ASSETS	4,729,184
CURRENT LIABILITIES	366,068
BONDS	1,998,430
PREFERRED MANDATORY	0
PREFERRED	7,975
COMMON	140,229
OTHER SE	1,741,161
TOTAL LIABILITY AND EQUITY	4,729,184
SALES	0
TOTAL REVENUES	412,956
CGS	0
TOTAL COSTS	301,534
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	36,042
INCOME PRETAX	85,768
INCOME TAX	36,484
INCOME CONTINUING	49,284
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	49,284
EPS BASIC	.35
EPS DILUTED	.35

End of Filing

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