

**THE RETIREMENT PLAN FOR  
LOS ANGELES NEWSPAPER GUILD EMPLOYEES  
OF  
PRESS TELEGRAM PUBLICATIONS, INC.**

**Summary Plan Description**

Effective Date of This Summary: July 1, 2002

## ABOUT YOUR RETIREMENT PLAN

The Retirement Plan for Los Angeles Newspaper Guild Employees of Press Telegram Publications, Inc. (the “Plan”) was originally adopted effective November 23, 1970, restated and amended effective January 1, 1997. (Press Telegram Publications, Inc., a wholly owned subsidiary of Knight-Ridder, Inc., was formerly named Twin Coast Newspapers, Inc.) It was maintained since its adoption pursuant to a collective bargaining agreement between Press Telegram Publications, Inc. (the “Company”) and the Los Angeles Newspaper Guild (the “Guild”), until the sale of the Company on December 17, 1997. The Plan is designed to provide Participants with retirement income.

Benefit accruals under the Plan ceased effective December 17, 1997, due to the sale of the Company and the expiration of the collective bargaining agreement with the Guild. The Plan has been formally terminated as of August 31, 2001. Approval of the termination has been recently received from the Internal Revenue Service. Although the Plan is terminated, you are still entitled to any Plan benefits you previously accrued and that were vested or became vested.

This booklet describes the terms of the Plan as applicable to an individual who was entitled to benefits under the Plan as of December 17, 1997, if at that time he or she was employed by the Company, retired from the Company, terminated with vested benefits, or on disability leave, or if he or she is a surviving beneficiary of any such individual who died before or after that date.

As you read this booklet, you will notice that some of the terms are in quotes and/or underlined. This is done so that some terms can be shortened whenever they are used in the booklet. If you don’t remember what a particular term means, check the “Index of Important Terms” following the Table of Contents. It will tell you the page on which the term is defined.

Please read this plan summary carefully. Make sure you understand how you entered the Plan, when you became eligible for a benefit, how the amount of your benefit is determined, and under what circumstances a benefit will or will not be paid.

The Plan Administrator is the Board of Trustees (Board or Board of Trustees); half the Board’s members are appointed by Knight-Ridder and half are appointed by the Guild. The address for the Board of Trustees is as follows:

Board of Trustees  
Los Angeles Newspaper Guild Retirement Plan  
P.O. Box 41071  
Long Beach, CA 90853

The Trustees have hired Tanja Pierce on a part-time basis as the “Local Plan Administrator” to assist in the day-to-day activities of Plan administration. She can be reached at the address above or by telephone at (562) 433-1029. Please address all inquiries regarding the Plan to her, rather than to Knight-Ridder or the Press-Telegram. She can provide general information about the Plan or direct you to some one who can provide you more specific information.

After December 31, 2002, all remaining benefits payable under the Plan based on Benefit Accrual Service will have been “annuitized.” This means that the Plan has arranged with an insurance company to provide these annuity benefits payable under the Plan by paying the insurance company for the cost of the benefits in advance. The insurance company will also be paying Surplus Benefits under the terms of the Plan. The insurance company is Principal Life Insurance Company (the “Insurance Company”). After December 31, 2002, you should contact the Insurance Company at the following address and telephone number for questions regarding the amount or timing of your benefits and to request any forms you need to commence or elect benefits:

Vicki Prorock  
Principal Life Insurance Co.  
3025 College Street  
Grand Island, NE 68802-4930  
(800) 944-8631, Ext. 57274

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## ELIGIBILITY AND PARTICIPATION IN THE PLAN

### Who Is Eligible

To be eligible to participate in and receive a benefit from the Plan (an “Eligible Employee”), you must have been employed by the Company under employment terms governed by a collective bargaining agreement with the Guild **and** you must have satisfied one of the following conditions as of December 17, 1997:

- You were a regular employee of the Company employed at or out of the Long Beach Press-Telegram work site, or
- You had retired from the Company or previously terminated your employment from the Company with a deferred vested benefit from the Plan, or
- You were on disability leave from the Company.

You may also be eligible to participate in and receive a benefit from the Plan if you are an “Eligible Beneficiary” at any time on or after December 17, 1997. Eligible Beneficiary requirements are explained in the section on the Plan surplus benefit.

### When Participation Began

You automatically entered the Plan (i.e., become a “Participant”) on the first day of the month after you completed 60 days of service as an Eligible Employee.

## SERVICE UNDER THE PLAN

**NOTE: All benefits under the Plan which are based on Benefit Accrual Service have been “annuitized” by the Plan. This means that the Plan has arranged with an insurance company to provide the annuity benefits payable under the Plan by paying the insurance company for the cost of the benefits in advance. This is explained more fully on page ii of the Introduction section.**

Two types of service count under the Plan for purposes of determining retirement benefits: (1) Benefit Accrual Service and (2) Vesting Service.

### Benefit Accrual Service

If you were a Participant in the Plan before January 1, 1988, the Plan uses Benefit Accrual Service to determine how much of a retirement benefit you accrued before that date. (For service after 1987, your retirement benefit is based upon your total compensation received from the Company after 1987.) Your “Benefit Accrual Service” is your total period of continuous service as an Eligible Employee of the Company prior to January 1, 1988, rounded to the nearest 1/12th of a year, up to a maximum of 35 years. In addition, Benefit Accrual Service may include a leave of absence after November 23, 1970 for full-time employment by the Guild if you or the Guild contributed to the Plan

during the leave. See “Plan Funding” on page 22. Notwithstanding any provision of the Plan or this summary plan description to the contrary, benefit accruals and service credit with respect to qualified military service after October 13, 1994, and before December 17, 1997, will be provided in accordance with Internal Revenue Code (“Code”) §414(u).

### Vesting Service

Vesting Service determines whether you are entitled to receive the retirement benefit you have accrued. You are entitled to (or “Vested”) in your retirement benefit once you have completed five full years of Vesting Service (provided that if you terminated employment before age 55, at least two of those years must have been completed after November 23, 1970) or you continued to work for the Company (i.e., the Press Telegram) or any of its affiliates (“Other Knight Ridder Companies”) after age 65. Also, if you had retirement benefits accrued on December 17, 1997, the date Plan benefit accruals ceased, you became 100% vested in those benefits due to the termination of the Plan.

Your “Vesting Service” is the total of:

- for service prior to January 1, 1976, the vesting service credited to you under the terms of the Plan as then in effect; and
- for service after January 1, 1976, each calendar year in which you are credited with —
  - if you are a full-time regular employee of the Company, 1,000 or more “Hours of Service” (as defined below), or
  - if you are a part-time regular employee, 500 or more Hours of Service.

If you did not complete at least 1,000 Hours of Service (500 if you were a part-time, regular employee) in your first calendar year of employment, you would still be credited with a year of Vesting Service for your first calendar year if you completed at least 1,000 Hours of Service (500 if you were a part-time, regular employee) in the 12-month period commencing on your first date of hire.

### Hours of Service

Generally, you are credited with an “Hour of Service” for each hour that you were paid, including periods when you were not at work. These non-working hours include paid time for vacations and holidays, illness or short-term disability (but not long-term disability, other than as described in the section below entitled “Periods During Which A Participant Received Long Term or Short Term Disability”), and periods for which back pay was awarded. Notwithstanding any provision of the Plan or this summary plan description to the contrary, benefit accruals and service credit with respect to qualified military service will be provided in accordance with Code §414(u).

### Breaks in Service

If you left the Company and all Other Knight Ridder Companies and were later rehired, you may, under some circumstances, have had any prior Benefit Accrual and Vesting Service restored. See “If

You Left the Company and Were Later Rehired” on page 12. Notwithstanding any provision of the Plan or this summary plan description to the contrary, benefit accruals and service credit with respect to qualified military service will be provided in accordance with Code §414(u).

### Periods of Disability

Effective for periods on and after September 8, 1983, for both Vesting and Benefit Accrual purposes, the Plan will credit all Hours of Service for all periods during which you were a Plan Participant and were receiving long-term or short-term disability benefits. In such cases, for purposes of determining Final Average Compensation in computing benefits, the Plan will assume that a disabled Participant had continued to be paid throughout the period of disability at the rate in effect immediately before the start of the period of disability. However, no Hours of Service shall be granted to the Participant for Benefit Accrual Service unless the Participant (1) returned to active employment with the Company after the period of disability, (2) attained the Participant’s Normal Retirement Date or (in the case of a Participant who elects Early Retirement) the Participant’s Early Retirement Date while still receiving long term or short term disability benefits from the Company or workers’ compensation benefits on account of employment with the Company, or (3) was still receiving long term or short term disability benefits from the Company or workers’ compensation benefits on account of employment with the Company on December 17, 1997.

## **WHEN YOU MAY RETIRE**

You may begin to receive benefits from the Plan only under one of four types of retirement: normal retirement, deferred retirement, early retirement, and terminated vested retirement. You should provide the Local Plan Administrator (after December 31, 2002, the Insurance Company) with written notice that you intend to retire at least 90 days before your selected retirement date so that your retirement can be timely processed.

### Normal Retirement Date

If you work until age 65, you may retire on the first day of the month on or after which you reach age 65 (your “Normal Retirement Date”).

### Deferred Retirement

You may continue to work beyond age 65 and defer retirement benefit payments under the Plan. However, federal law requires that benefit payments begin by April 1 following the close of the calendar year in which you have a termination of employment from the Company or any Other Knight Ridder Company, or, if later, April 1 following the close of the calendar year in which you reach age 70½.

### Early Retirement

If you are at least 55 years old and completed at least five full years of Vesting Service (“Early Retirement”), you may elect to retire on the first day of any month.

### Terminated Vested Retirement

If you left the Company and all Other Knight Ridder Companies before age 55 but after you completed five or more years of Vesting Service (at least two of which years were completed after November 23, 1970), you are entitled to a Terminated Vested Retirement benefit. You will begin receiving benefits at your Normal Retirement Date. You may, however, elect to receive benefits as of the first day of any earlier month after you reach age 55 or you may elect to defer retirement benefits. However, federal law requires that benefit payments begin by April 1 following the close of the calendar year in which you have a termination of employment from the Company, or, if later, April 1 following the close of the calendar year in which you reach age 70½.

### Non-Vested Termination

If you left the Company before age 65 and before completing five years of Vesting Service and before December 17, 1997, you will not be entitled to any benefits from the Plan, except that if contributions to the Plan were made by you or on your behalf by the Guild while you were on a leave of absence for full-time employment with the Guild, you will be entitled to a refund of any such contributions that were not previously refunded to you. See "Plan Funding" on page 22.

### Vested after December 17, 1997

If you left the Company before age 65 and before completing five years of Vesting Service but were an employee of the Company on December 17, 1997, you are deemed to be fully vested in any retirement benefits you did accrue. You will begin receiving benefits at your Normal Retirement Date. You may, however, elect to receive benefits as of the first day of any earlier month after you reach age 55 or you may elect to defer retirement benefits. However, federal law requires that benefit payments begin by April 1 following the close of the calendar year in which you have a termination of employment from the Company and all Other Knight Ridder Companies, or, if later, April 1 following the close of the calendar year in which you attain age 70½.

### Special Distribution Rules

The Internal Revenue Code imposes special distribution rules which require commencement of benefits at age 70½, regardless of employment status, on Participants who are more than five percent (5%) owners of the Company or any Other Knight Company. Since the Plan covers only employees whose employment with the Company was governed by a collective bargaining agreement, it is not likely that these special rules would have application in this Plan.

## **HOW YOUR BENEFIT WILL BE DETERMINED**

### Normal or Deferred Retirement

*Basic Benefit Formula For Participants Who Terminated Employment Before July 1, 1997:*

Effective January 1, 1992, if you retire on or after age 65, and *were not a Plan participant actively employed at the Press-Telegram on or after July 1, 1997*, you will be entitled to a monthly benefit

payable for your life determined under either (i) the basic benefit formula described immediately below, or (ii) under the calculation called the alternate benefit formula if it would be higher (described below under the heading “Alternate Benefit Formula”) :

Step One - Pre-1988 Participation

If you were a Plan Participant prior to 1988, multiply (a) your average annual rate of “compensation” (as defined below) paid for the period during 1985, 1986 and 1987 that you were a Participant in the Plan, by (b) your total Benefit Accrual Service prior to January 1, 1988 and (c) .0011000

Step Two - Post-1987 Participation

Multiply (a) your aggregate “compensation” (as defined below) for the period after December 31, 1987 during which you were a Plan participant, by (b).0011916

Step Three

Add the results of Steps One and Two.

*Basic Benefit Formula For Participants Who Terminated Employment On or After July 1, 1997:*

Effective January 1, 1992, if you retire on or after age 65, and *were a Plan participant actively employed at the Press-Telegram on or after July 1, 1997*, you will be entitled to a monthly benefit payable for your life determined under either (i) the basic benefit formula described immediately below, or (ii) under the calculation called the alternate benefit formula if it would be higher (described below under the heading “Alternate Benefit Formula”) :

Step One - Pre-1988 Participation

If you were a Plan Participant prior to 1988, multiply (a) your average annual rate of “compensation” (as defined below) paid for the period during 1985, 1986 and 1987 that you were a Participant in the Plan, by (b) your total Benefit Accrual Service prior to January 1, 1988 and (c) 1/12 of 1.39% (0.00115833).

Step Two - Post-1987 Participation

Multiply (a) your aggregate “compensation - (as defined below) for the period after December 31, 1987 during which you were a Plan participant, by (b)1/12 of 1.50% (0.001215)

Step Three

Add the results of Steps One and Two.

Example:

Let's say you were employed at the Press Telegram on July 1, 1997, and then retired at age 65 after completing 29 years of Benefit Accrual Service, 20 of which were completed prior to January 1, 1988. Your average annual compensation for 1985, 1986 and 1987 is \$20,000. Your total compensation for your full and partial years after December 31, 1987 is \$230,000.

Using these assumptions, your monthly normal retirement benefit would be determined as follows:

1.	$\$20,000 \times 10 \times .00115833$	.....	\$220.00
2.	$\$230,000 \times .00125$	.....	\$247.07
3.	$\$220.00$ and $\$274.07$	.....	\$494.07

In this case your normal retirement benefit will be \$494.07 each month for your life. Note that the benefit described above is described in the form of a "Life Only" annuity; however, if the benefit you choose is payable as a 50% Joint and Survivor Annuity, the monthly amount will be less.

*Definitions and Rules Applicable to All of the Above Benefit Formulas:*

"Compensation" means only your regular straight-time salary or wages and does not include overtime, bonuses, shift differential or other payments.

If you have more than 35 years of Benefit Accrual Service, only the most recent 35 years of Benefit Accrual Service during which you received compensation from the Company will be counted for purposes of determining your normal retirement benefit.

If no event will your monthly benefit as determined under these formulas be less than the monthly benefit to which you would have been entitled under the formula in effect prior to 1991 based on your service and compensation through December 31, 1991.

*Alternate Benefit Formula:*

The Plan provides that if your benefit would be higher under this alternate benefit formula than under the basic benefit formula described above, you will receive benefits calculated under this alternate formula. Under the alternate formula, effective April 5, 1994, and applicable to Plan participants who were credited with an Hour of Service after that date, the monthly benefit is determined by multiplying 1/12 times the product of the following: (a) 1.05% of your "Final Average Compensation" (as described in the next sentence), times (b) your total years of Benefit Accrual Service, up to a maximum of 35. Effective July 1, 1997, "Final Average Compensation" is calculated by averaging the highest five of your last 10 calendar years while covered by the Plan.

Under any of these formulas, it is important to note that the Normal Retirement benefit so determined is a Life Only Benefit. That is, if you receive the 50% Joint and Survivor Benefit with your spouse as beneficiary or you elect another form of payment which provides survivor benefits (as discussed below under "How Your Benefit Will Be Paid"), your monthly benefit will be actuarially reduced to take the survivor benefit into account.

