HICKORY TECH CORP
Form DEF 14A
March 26, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

Filed by a Party other than the Registrant o

Check the Appropriate box:
o Preliminary Proxy Statement
o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
x Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Hickory Tech Corporation
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):
x No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

221 East Hickory Street
P.O. Box 3248
Mankato, MN 56002-3248

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS TO BE HELD ON
TUESDAY, May 11, 2010

The Annual Meeting of the Shareholders of Hickory Tech Corporation ("HickoryTech") will be held at the Mankato Civic Center, located at 1 Civic Center Plaza (at the corner of Riverfront Drive and Hickory Street) in Mankato, Minnesota, on Tuesday, May 11, 2010 at 10:00 a.m., Central Daylight Time, for the following purposes:

1. To elect the two directors named in the attached proxy statement to serve for ensuing three-year terms;

2. Ratify Grant Thornton LLP as our independent registered public accounting firm and auditors for 2010;

3. To transact such other business as may properly come before the meeting or at any adjournment thereof.

The Board of Directors has fixed the close of business on March 12, 2010, as the record date for the determination of shareholders entitled to notice of, and to vote at, the Annual Meeting and any adjournment thereof.

Whether or not you expect to attend the meeting, please sign and date the proxy and return it promptly in the enclosed envelope, or take advantage of the option to vote by Internet or telephone. If you choose to return the proxy card by mail, we have enclosed an envelope, for which no postage is required if mailed in the United States. To vote by Internet or telephone, please follow the instructions on the proxy voting card or online at www.proxyvote.com. If you decide to attend the meeting and vote in person, you may withdraw your proxy.

BY THE ORDER
OF THE
BOARD OF
DIRECTORS
HICKORYTECH
CORPORATION

James W. Bracke – Board
Chair
Mankato, Minnesota
Mankato, Minnesota
March 26, 2010

Important notice regarding the availability of proxy materials for the shareholder meeting to be held on May 11, 2010.

Our proxy statement, the form of our proxy card, and Annual Report on Form 10-K can be viewed online at www.hickorytech.com/proxy.

HICKORYTECH CORPORATION
221 East Hickory Street
P.O. Box 3248
Mankato, MN 56002-3248

PROXY STATEMENT
ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON TUESDAY, May 11, 2010

SOLICITATION

We are furnishing this proxy statement in connection with the solicitation of proxies by our Board of Directors for use at our Annual Meeting of Shareholders to be held at the Mankato Civic Center, located at 1 Civic Center Plaza (at the corner of Riverfront Drive and Hickory Street) in Mankato, Minnesota on Tuesday, May 11, 2010, at 10:00 a.m. (Central Daylight Time) or at any adjournment of that meeting. All properly executed proxies will be voted at the meeting. We are mailing this proxy statement and the enclosed proxy card to shareholders on or about March 26, 2010.

REVOCABILITY OF PROXY

Your proxy may be revoked at any time before it is exercised by filing a later dated proxy (by mail, Internet or telephone) or a written notice of revocation with our Corporate Secretary, or by voting in person at the Annual Meeting. Unless it is revoked, your proxy will be voted in the manner set forth in this proxy statement or as you specify in your proxy card.

ANNUAL REPORT AND PROXY MATERIALS

Our Annual Report for fiscal year 2009, including our Form 10-K as filed with the SEC, is enclosed in the envelope containing this proxy statement.

VOTING

You must be a shareholder of record at the close of business on March 12, 2010 to be entitled to vote at the meeting. As of that date, there were 13,230,112 shares of our common stock outstanding.

For each share held, shareholders may cast one vote for each proposal identified on the proxy card. For each share held, you may cast one vote for each of the two directorships to be filled at this meeting. If you do not wish your shares to be voted for a particular nominee, please so indicate in the space provided on the proxy card. You may vote your shares by Internet or a toll-free telephone call as an alternative to completing and mailing the enclosed proxy card. The procedures for Internet and telephone voting are described on the proxy card. The Internet and telephone voting procedures are designed to verify your identity, allow you to give voting instructions, and confirm that your instructions have been recorded properly. If you vote by Internet or telephone, you should not return a proxy card by mail.

A majority of the outstanding shares must be represented in person or by proxy in order to consider the items of business at the meeting. We will count abstentions as present or represented at the meeting for purposes of determining whether a quorum exists and for purposes of calculating the number of votes cast, but will not consider abstentions as votes in favor of the matter. We will treat broker non-votes as present and entitled to vote for purpose of the presence of a quorum, but not present and entitled to vote for purposes of determining whether the requisite vote has been obtained on a specific matter. Therefore, broker non-votes will have no effect on the outcome of the matter.

A plurality of the voting power of the shares present or represented at the meeting and entitled to vote at a meeting at which a quorum is present is required for the election of each director.

ITEMS REQUIRING YOUR CONSIDERATION

The following items in this proxy statement require your consideration and approval:

1. Election of two directors named in this proxy statement for three-year terms. See below.

2. Ratification of Grant Thornton LLP as the Company's Independent Registered Accounting Firm and Auditors for 2010. See page 34.

PROPOSAL 1:

ELECTION OF DIRECTORS

Our Board of Directors ("Board") is divided into three classes with each class of directors serving for a three-year term. You are being asked to consider the election of two directors at the Annual Meeting. The terms of directors Diane L. Dewbrey, Starr J. Kirklin and Lyle G. Jacobson expire in 2010, and the Board has nominated Ms. Dewbrey and Mr. Jacobson for re-election to the Board, each for three-year terms. Proxies may not be voted for more than two nominees.

In 2009 there were ten members on our Board of Directors, all of whom have served as directors for more than one year. Mr. Starr J. Kirklin will be retiring from our Board, effective May 11, 2010, the date set for the Annual Meeting. Our Company by-laws state that no person may stand for election as a director after that person's seventy-second birthday. As Mr. Kirklin is currently age 73, he is not eligible to stand for re-election and will be retiring from the Board. Mr. Kirklin's director position on the Board will not be filled at this time. The Board believes it can effectively represent the shareholders and carry out their responsibilities with a nine member Board. This reduction in Board size will reduce Board costs and align with governing best practices of slightly smaller boards.

The following table provides information, as of February 28, 2010, about the nominees for election. The biographies of each of the nominees and continuing directors below contain information regarding the person's service as a director, business experience, director positions held currently or at any time during the last five years, information regarding involvement in certain legal or administrative proceedings, if applicable, and the experiences, qualifications, attributes or skills that caused the Governance/Nominating Committee and the Board to determine that the person should serve as a director for our Company in 2010.

TERMS ENDING IN 2010 AND NOMINEES FOR TERMS ENDING IN 2013

DIANE L. DEWBREY joined the Board in March 2009. Since 2006, Ms. Dewbrey, age 45, has been employed by Foundation Bank, a Washington State chartered commercial bank, most recently in the role of Chief Executive Officer (CEO) and Director. Ms. Dewbrey was employed by Fifth Third Bancorp, a diversified financial services company, from 1987 to 2005, lastly as Director of Central Operations, Bancorp Corporate Officer and Senior Vice President. Ms. Dewbrey's qualifications to serve on our Board include specific expertise and knowledge in the various areas of banking, finance, corporate governance, compensation, operations, and mergers and acquisitions.

LYLE G. JACOBSON has served as a director since 1989. Mr. Jacobson, age 68, retired in 2007 as the President and CEO of Katolight Corporation (now MTU Onsite Energy), a manufacturer of diesel and gas powered electrical generator sets and generator controls, in Mankato, Minnesota. He served as Katolight President and CEO from 1985 until he retired. Mr. Jacobson's qualifications to serve on our Board include leadership experience serving as President and CEO of Katolight Corporation and specific expertise in the areas of human resources, quality, customer service and finance.

3

The Board of Directors Recommends that the Shareholders Vote for all Nominees

You may vote for all, some or none of the nominees for election to the Board. Unless authority to vote is withheld, the persons named as proxies will vote FOR the election of each of the above-listed nominees. If any of the nominees are not candidates for election at the meeting, which is not presently anticipated, the persons named as proxies will vote for such other person or persons as they may, in their discretion, determine. Directors will be elected by a plurality of the votes cast.

The following table provides information about our remaining directors, whose terms expire in 2010, 2011, and 2012.

TERMS ENDING IN 2010

STARR J. KIRKLIN has served as a director since 1989 and was Chair of the Board from January 2005 to December 2006. Mr. Kirklin, age 73, retired as President of First Bank, Mankato, a National Banking Association, in 1996. He served as the Interim Vice President of University Advancement at Minnesota State University, Mankato from May to November 2000 and from May 2002 to July 2003. Mr. Kirklin will be retiring from the Board as of May 11, 2010.

CONTINUING DIRECTORS

TERMS ENDING IN 2011

ROBERT D. ALTON, JR. has served as a director since 1993. Mr. Alton, age 61, served as President, CEO and Chair of the Board of HickoryTech from 1993 to 2002. Prior to joining HickoryTech, Mr. Alton served as President of Telephone Operations for Contel Corporation, a provider of telecommunications services, and was employed in various executive and financial capacities at Contel Corporation for 21 years. Mr. Alton’s qualifications to serve on our Board include his business leadership, financial expertise and extensive experience in the telecommunications industry.

JAMES W. BRACKE has been a director since 2004 and has served as Chair of the HickoryTech Board since January 2009. Mr. Bracke, age 62, serves as the CEO for Green Gas LLC, which employs a novel green technology to economically convert medical wastes into energy. From 2006 to 2009, Mr. Bracke served as the President of Boulder Creek Consulting, LLC, a business and technology consulting firm. From 2004 to 2006, Mr. Bracke served as Vice President of EPIEN Medical, a privately held medical device company focused on developing, manufacturing and marketing agents for skin disorders. From 1981 to 2004, Mr. Bracke was President and CEO and a Director of Lifecore Biomedical, Inc., a healthcare medical device manufacturer. He is a director of Image Sensing Systems, Inc., a technology company focused in infrastructure product improvement through the development of software-based detection solutions for the Intelligent Transportation Systems Sector, of St. Paul, Minnesota. Mr. Bracke’s qualifications to serve on our Board include extensive experience in senior executive management positions in the public-reporting corporate environment, financial expertise, as well as experience as a director for three public organizations.

R. WYNN KEARNEY, JR. has been a director since 1993 and Chair of the HickoryTech Board from January 2007 to December 2008. Mr. Kearney, age 66, has been in private practice since 1972 with the Orthopaedic & Fracture Clinic, P.A., with offices in southern Minnesota, and is its senior surgeon. Mr. Kearney is an Associate Clinical Professor of the University of Minnesota Medical School and a minority owner of the Minnesota Timberwolves NBA basketball team. He is also a director of Exactech, Inc. of Gainesville, Florida, developer, manufacturer and distributor of orthopaedic implant devices to hospitals and physicians. Mr. Kearney’s qualifications to serve on our Board include service on multiple private and public company boards and his leadership experience in business and in professional organizations.

DALE E. PARKER has been a director since 2006 and has served as Vice Chair of the HickoryTech Board since January 2009. Mr. Parker, age 58, is the Chief Financial Officer (CFO) of Neenah Enterprises, Inc., an independent foundry. From 2009 to 2010 Mr. Parker was the Vice President of Finance for Paper Works, a producer of coated recycled paper board. Mr. Parker was CFO at Forest Resources, LLC, a company focused on paper product production and conversion, from 2007 to October 2008. From 2006 to 2007, Mr. Parker was CFO at Vitex Packaging Group, a manufacturer of packaging for tea and coffee brands. From 2000 to 2006 Mr. Parker served as Vice President, CFO, and board member of Appleton Papers, Inc., a leading manufacturer of specialty, high value-added coated paper products, including carbonless thermal and security papers. Mr. Parker is a CPA and holds a MBA. Mr. Parker's qualifications to serve on our Board include his extensive experience working in senior executive positions for both public and private companies in a variety of industries and expertise with financial statement preparation and SEC reporting.

CONTINUING DIRECTORS
TERMS ENDING IN 2012

LYLE T. BOSACKER has served as a director since 1988. Mr. Bosacker, age 67, retired as President of CEO Advisors, Inc., a management consulting and information system planning services firm, in 2004. Mr. Bosacker served as the Director of Corporate Information Services for International Multifoods from 1991 to 1993 and as its Director of Corporate Information Systems Planning from 1987 to 1991. Mr. Bosacker's qualifications to serve on our Board include extensive experience in information technology, and his experience in management consulting as an owner of his own business.

MYRITA P. CRAIG has served as a director since 1998 and was Chair of the HickoryTech Board from January 2003 to December 2004. Ms. Craig, age 55, has served as CEO of Sapientia Consulting Inc., which provides management consulting and executive coaching services to business clients, since 1999. She is currently engaged with the Cincinnati USA Regional Chamber as Executive Director, office of Agenda 360. Prior to establishing the consulting firm, Ms. Craig was employed, from 1984 to 1999, by Cincinnati Bell, Inc., a provider of telecommunications services, and had assignments in strategic planning, corporate development, and operations, lastly as Vice President of Customer Sales and Service. Ms. Craig's qualifications to serve on our Board include extensive experience in the telecommunications industry and her leadership, general business, customer operations and marketing experience.

JOHN W. FINKE has served as a director since 2006. Mr. Finke, age 47, has served as President and CEO of HickoryTech Corporation since 2006. Mr. Finke has been with HickoryTech since 1996, and served as HickoryTech's Chief Operating Officer and Executive Vice President from 2005 to 2006, its President of Telephone Operations from 2003 to 2005, and President of HickoryTech's Network Design and Operations Division from 2000 to 2003. Prior to joining HickoryTech, Mr. Finke held numerous engineering and management positions with GTE Telephone Operations and Contel of Indiana from 1984 to 1996, both companies were providers of telecommunications services. Mr. Finke holds a MBA. His qualifications to serve on our Board include his deep technical, operational and leadership experience, his extensive experience in the communications industry, and his experience with acquisitions and divestitures, and integration of acquisitions.

COMPENSATION OF DIRECTORS

Prior to January 1, 2010 independent directors received an annual retainer of $20,000. Of this retainer $7,500 was paid in common stock of the Company, with the option to receive the remaining $12,500 of the annual retainer in cash or in shares of HickoryTech common stock. Directors received $1,000 for each Board meeting attended and $750 for each committee meeting attended. Each director also received $500 per day for non-board or non-committee meetings associated with HickoryTech business or required training sessions. We also paid annual retainers for certain chairperson positions, including $24,000 to the Board Chair, $7,500 to the Audit Committee Chair and $5,000 to the Compensation Committee Chair. In addition, Directors were also eligible to receive 2,000 shares of HickoryTech common stock under the Director's Incentive Plan if HickoryTech met pre-established objectives tied to shareholder value. In 2009, this pre-established objective was not achieved and no shares were issued under this plan.

In 2009 our Board retained the services of Sibson Consulting, a compensation consultant, to assess our directors' compensation program and to provide feedback and recommendations on program competitiveness and compensation delivery practices. Sibson Consulting compared our director's compensation program against best practices and the compensation practices of peer companies. Effective January 1, 2010 the Board modified the directors' compensation program to a role-based compensation structure. This new approach compensates directors for their ongoing role and direction rather than for attendance at meetings.

Beginning January 1, 2010, the annual Board retainer for each independent director is $47,500. Of this retainer, $25,000 will be paid in HickoryTech stock, with the option to receive the remaining $22,500 of the annual retainer in cash or in shares of HickoryTech common stock. Compensation for Board and committee meeting attendance and the Director's Incentive Plan was discontinued.

Non-employee annual retainers for certain chairperson positions were also reviewed and to compensate for the leadership responsibilities, the Board Chair will now receive a $20,000 annual retainer, in addition to the retainer as a Board director.

Board Committee fees have been discontinued and have been replaced with annual committee retainers. Each Audit Committee member will receive an annual retainer of $5,750, with the Audit Committee Chair receiving an additional $7,500 for the responsibilities associated with serving as chair. Each Compensation Committee member will receive an annual retainer of $5,000, with the Compensation Committee Chair receiving an additional $6,000 annual retainer for serving as chair. Each Governance/Nominating Committee member and Finance and Planning Committee member will receive an annual retainer of $5,000, with the chairs of these committees receiving an additional $5,000 annual retainer for the responsibilities associated with serving as committee chair. If an ad hoc committee is established by the Board, the Compensation Committee will establish appropriate compensation for the ad hoc role.

All retainers for Board or committee roles will be paid quarterly. Each director is required to attend 75% of all scheduled Board and committee meetings for the committees on which they are members. If attendance is less than 75% the director's annual retainer will be reviewed and potentially adjusted by the Board. Directors are also reimbursed for all travel expenses associated with meeting attendance. Directors are eligible for matching charitable gift contributions under the HickoryTech Foundation, up to $1,000 in each Foundation fiscal year.

Directors who have served three consecutive Board terms or who leave the Board as the result of a change of control, are entitled to receive a $20,000 annual retainer for three years after they terminate their positions as Board members. They also continue to be eligible for matching charitable gift contributions under the HickoryTech Foundation during this three year period. These benefits are available to each director who was a director on the Board as of April 29, 2008. Any director joining the Board after April 29, 2008 is not eligible for these benefits.

Because he is an employee of HickoryTech, Mr. Finke, our Chief Executive Officer and member of our Board of Directors, receives none of these fees or equity grants for his service as a member of the Board.

DIRECTOR COMPENSATION FOR 2009

Name (1)	Fees Earned or Paid in Cash ($)(2)	Stock Awards ($)(3)	Option Awards ($)(4)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($) (5)	All Other Compensation ($)(6)	Total ($)
Robert D. Alton, Jr.	32,500	17,800	-	-	6,720	-	57,020
Lyle T. Bosacker	33,750	17,803	-	-	-	-	51,553
James W. Bracke	65,500	17,791	-	-	6,720	-	90,011
Myrita P. Craig	43,500	17,800	-	-	-	1,100	62,400
Diane L. Dewbrey	22,417	16,669	-	-	-	1,000	40,086
Lyle G. Jacobson	32,500	17,795	-	-	-	-	50,295
R. Wynn Kearney, Jr.	36,250	17,800	-	-	-	200	54,250
Starr J. Kirklin	35,500	17,800	-	-	-	-	53,300
Dale E. Parker	37,750	17,800	-	-	6,720	-	62,270

(1) Mr. Finke, our President and Chief Executive Officer, also serves as a director and is not included in this table because he does not receive compensation for his service as a director. The compensation received by Mr. Finke as an employee is shown on the Summary Compensation Table on page 23.

(2) This column reflects all fees paid or payable in cash. If a director has forgone cash payment of the annual retainer for compensation in the form of HickoryTech common stock, the amount is shown in the Fees Earned or Paid in Cash Column instead of the Stock Awards Column.

(3) Reflects the aggregate grant date fair value of stock received in 2009, computed in accordance with FASB ASC Topic 718. Each director received shares of HickoryTech stock in March of 2009 under the Director's Incentive Plan (2,000 shares at fair market value of $5.15 per share) for achieving the 2008 pre-established objective and $7,500 of their annual retainer is paid in shares of HickoryTech stock.

(4) There were no stock option awards granted to directors in fiscal year 2009. As of December 31, 2009, each director has the following number of options outstanding: Mr. Bosacker: 23,000; Mr. Bracke: 5,000; Ms. Craig: 20,000; Mr. Jacobson: 23,000; Mr. Kearney: 23,000; and Mr. Kirklin: 23,000.

(5) Reflects the 2009 accrual for the Board retainer that is due to eligible directors when they leave the Board after serving three consecutive Board terms or, regardless of the length of service, after a change in control and related events concerning HickoryTech.

(6) Directors may participate in the HickoryTech Foundation Matching Gift Program on the same terms as HickoryTech employees. Under the Matching Gift Program the Foundation matches up to $1,000 a year in contributions by any employee or director to approved charitable organizations. The Foundation's fiscal year runs from March through February. The amounts shown reflect all Company matches made on behalf of the director.

In 2003 the Board of Directors approved and, in April 2008, subsequently revised stock ownership guidelines for all directors. Guidelines require directors to own three times their annual retainer in HickoryTech stock. The annual retainer amount is divided by the share price as of a specific date to determine the number of shares to be owned. Share guidelines require directors to own 7,309 shares of HickoryTech stock (three times the April 30, 2008 annual retainer ($60,000) divided by the April 30, 2008 stock price of $8.21) within three years of April 30, 2008 or five years of joining the Board, whichever date is later. Each director is currently in compliance with these guidelines or within the designated time period to achieve the ownership levels.

CORPORATE GOVERNANCE MATTERS

The Board Of Directors And Committees

During fiscal year 2009 our Board of Directors held 11 meetings. All of the meetings were regularly scheduled. We have four Board committees. Each director attended at least 75% of the Board meetings and committee meetings. All directors attended the Annual Meeting held May 12, 2009.

The Board of Directors maintains that having an independent director serve as Chair of the Board, separate from HickoryTech's CEO position, is an effective and efficient leadership structure for the Company and demonstrates our commitment to good corporate governance. This structure ensures a greater role for the independent directors in the oversight of the Company.

The Board is actively involved in the oversight of risks that could affect the Company. This oversight is conducted primarily through committees of the Board, but the full Board has retained responsibility for general oversight of risks, with review of certain areas being conducted by the relevant Board committees. Full reports are provided by each committee Chair regarding the committee's considerations and actions, as well as through regular reports directly from officers responsible for oversight of particular risks within the Company. Management reporting processes also help enable Board risk oversight and are designed to provide visibility with the identification, assessment and management of critical risks and management's risk mitigation strategies. These include competitive, economic, operational, financial, regulatory, legal compliance, political and other risks.

Our Board has determined, based on written questionnaires and inquiry that, with the exception of Mr. Finke, our CEO, each of our directors is "independent" under applicable rules. Except for Mr. Finke and Mr. Alton, no director identified any dealings between the director, members of the director's family, or any controlled entity and HickoryTech, other than dealings in the director's capacity as such. In considering Mr. Alton's independence, the Board considered (1) his prior services as an officer, and (2) the Supplemental Retirement Account, retiree health care benefit and a small telephone concession benefit we maintain on his behalf as a former officer. Because Mr. Alton's service as an officer terminated more than seven years ago and the continuing retirement benefits he receives were not believed significant, the Board also concluded that Mr. Alton is independent.

The Audit Committee consists of Messrs. Bosacker (Chair), Alton and Parker, each of whom is an independent director within the meaning of the requirements of the NASDAQ Stock Market applicable to Audit Committees. The Audit Committee reviews the internal controls of HickoryTech and its financial reporting and meets with the independent auditors on these matters. The Audit Committee is responsible for the review of all interested party transactions and, although it does not have written policies as to the standards of approval consistent with the fiduciary obligations by which it is bound, approves only those transactions that it believes are in the best interests of the corporation and on terms at least as favorable as could be obtained from unaffiliated parties. The Audit Committee has the sole authority to appoint, review and discharge HickoryTech's independent auditors. Our Board has determined that Mr. Parker is an Audit Committee financial expert as defined under applicable SEC rules. The Board adopted and approved a written charter for the Audit Committee, a copy of which can be found on the Company's website, www.hickorytech.com. This Committee held five meetings in 2009.

The Compensation Committee consists of Ms. Craig (Chair), Ms. Dewbrey and Messrs. Jacobson and Kearney, each of whom is an independent director under applicable NASDAQ rules. The Compensation Committee is responsible for determining the compensation for executive officers and directors, and assessing the effectiveness and risk exposure of the compensation programs. The Compensation Committee makes recommendations to the Board regarding compensation for executive management and directors of HickoryTech. This Committee held ten meetings in 2009.

The Governance/Nominating Committee, consisting of Messrs. Bracke (Chair), Parker, Kearney and Kirklin, held five meetings in 2009. This Committee's objective is to maintain a strong Board for HickoryTech, to ensure appropriate governance practices and to make recommendations on Board Committee assignments and candidates for directorship.

The Finance and Planning Committee, consisting of Messrs. Parker (Chair), Alton and Kirklin and Ms. Craig, has an objective to review operational financial processes and results, to evaluate risks and ensure the maximization of the financial resources of HickoryTech. The Finance and Planning Committee held five meetings in 2009.

8

HickoryTech has had a Board evaluation process in place since 2004. This system is periodically reviewed and enhancements are made to the process as applicable. We continue to monitor and evaluate Board effectiveness to maintain and improve our governance and Board practices.

Nominations

The Governance/Nominating Committee, composed entirely of directors who qualify as independent under applicable NASDAQ rules, is the standing Committee responsible for determining the slate of director nominees for election by shareholders, which the Committee recommends for consideration by the Board. The Committee has adopted a written Governance/Nominating Committee Charter, a copy of which can be found on the Company's website, www.hickorytech.com. Any director elected to fill a vacancy shall have the same remaining term as that of such director's predecessor. Vacancies on the Board of Directors resulting from the death, resignation, removal, or disqualification of the director may be filled by the affirmative vote of a majority of the remaining members of the Board.

The Board seeks independent directors who represent a mix of backgrounds and experiences that will enhance the quality of the Board's deliberations and decisions. Although the Board does not have a formal diversity policy, the objective of the Board is to reflect diversity including persons diverse in business background, gender and ethnicity. The Governance/Nominating Committee determines the required selection criteria and qualifications of director nominees based upon our needs at the time nominees are considered. A candidate must possess the ability to apply good business judgment and must be in a position to properly exercise his or her duties with loyalty and care. Candidates should also exhibit proven leadership capabilities, high integrity, and experience with a high level of responsibility within their chosen fields, and have the ability to quickly grasp complex principles of business, finance, and communication technologies. In general, candidates who hold an established executive level position in business, finance, strategic planning, or communications will be preferred. The Governance/Nominating Committee will consider these criteria for nominees identified by the Committee, by shareholders, or through some other source. When current Board members are considered for nomination for re-election, the Governance/Nominating Committee also takes into consideration their prior HickoryTech Board contributions, performance, and meeting participation. The Governance/Nominating Committee may use paid third parties to help identify nominees, to conduct appropriate background checks, and to verify credentials of nominees.

The Governance/Nominating Committee will consider qualified candidates submitted by our shareholders for possible nomination. If you wish to make such a submission, you should send the following information to the Governance/Nominating Committee c/o Corporate Secretary at the address listed in the following section, "Shareholder Communications With Board": (1) name of the candidate, a brief biographical sketch and resume; (2) contact information for the candidate and a document evidencing the candidate's willingness to serve as a director if elected; and (3) a signed statement as to the submitting shareholder's current status as a shareholder, including the number of shares currently held.

The Governance/Nominating Committee makes a preliminary assessment of each proposed nominee based upon the resume and biographical information, an indication of the individual's willingness to serve, and other background information. This information is evaluated against the criteria set forth above and our specific needs at that time. Based upon a preliminary assessment of the candidate(s), the Governance /Nominating Committee may invite those who appear best suited to meet our needs to participate in a series of interviews that will be used as a further means of evaluating potential candidates.

On the basis of information learned during this process, the Governance/Nominating Committee determines which nominee(s) to recommend to the Board to submit for election at the next Annual Meeting. The Governance/Nominating Committee uses the same process for evaluating all nominees, regardless of the original source of the nomination.

9

No candidates for director nominations were submitted through this process to our Governance/Nominating Committee in conjunction with the Annual Meeting to be held in 2010. Any shareholders desiring to present nominations for consideration by the Governance/Nominating Committee prior to the Annual Meeting held in 2011 must do so by January 11, 2011, in order to provide adequate time to duly consider the nominee and comply with our by-laws.

Shareholder Communications With Board

The Board of Directors has implemented a process by which our shareholders may send written communications to the Board's attention. Any shareholder desiring to communicate with our Board, or one or more of our directors, may send a letter addressed to the HickoryTech Board of Directors, c/o HickoryTech Corporate Secretary, David A. Christensen, HickoryTech Corporation, 221 East Hickory Street, P.O. Box 3248, Mankato, Minnesota 56002-3248. The Corporate Secretary has been instructed by the Board to promptly forward all communications so received to the full Board or the individual Board member(s) specifically addressed in the communication.

SECURITY OWNERSHIP

No shareholder held more than 5% of our common stock as of February 28, 2010. Directors, nominees and the executive officers of HickoryTech named under "Summary Compensation Table" own the following shares of common stock of HickoryTech as of February 28, 2010:

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership(a)		Percent of Common Stock	
Robert D. Alton, Jr.	68,663		*	
Lyle T. Bosacker	433,213	(b)(c)	3.2	%
James W. Bracke	19,184	(c)	*	
Myrita P. Craig	29,023	(c)	*	
Diane L. Dewbrey	2,776		*	
John W. Finke	151,509	(c)(d)(e)(f)	1.1	%
Lyle G. Jacobson	66,782	(c)(g)	*	
R. Wynn Kearney, Jr.	138,393	(c)(h)	1.0	%
Starr J. Kirklin	29,904	(c)(i)	*	
Dale E. Parker	10,243		*	
David A. Christensen	116,637	(c)(d)(e)	*	
Damon D. Dutz	19,770	(c)(e)	*	
John P. Morton	14,149	(e)	*	
Lane C. Nordquist	66,970	(c)(d)(e)	*	
All of the above and other executive officers as a group (16 persons)	1,276,569		9.4	%

* Less than 1%

(a) Except as otherwise indicated, the shareholders listed in the table have sole voting and investment powers with respect to the common stock owned by them.

(b) Includes 263,253 shares held by Mr. Bosacker's spouse.

(c)

Includes shares which may be acquired within 60 days after February 28, 2010 through the exercise of stock options as follows: Mr. Bosacker, 20,000; Mr. Bracke, 5,000; Ms. Craig, 17,000; Mr. Finke, 81,500; Mr. Jacobson, 20,000; Mr. Kearney, 20,000; Mr. Kirklin, 20,000; Mr. Christensen, 47,500; Mr. Dutz, 6,300 and Mr. Nordquist, 38,000.

(d) Includes shares held in a trust under the long-term portion of HickoryTech's Executive Incentive Plan as follows: Mr. Christensen, 26,593; Mr. Finke, 11,729; and Mr. Nordquist, 5,605.

(e) Includes restricted shares of HickoryTech stock as follows: Mr. Finke, 38,249; Mr. Christensen, 11,474; Mr. Dutz, 11,474; Mr. Morton, 7,649; and Mr. Nordquist, 11,474. One half of the shares vest 30 days after March 5, 2010 and one-half of the shares vest one year after March 5, 2010.

(f) Includes 18,844 shares held by Mr. Finke's spouse.

(g) Includes 19,764 shares held by Mr. Jacobson's spouse.

(h) Includes 45,000 shares held in a profit sharing trust and 12,783 shares held in a family foundation.

(i) Includes 1,000 shares held by Mr. Kirklin's spouse.

(j) Includes all shares owned by all 16 persons: (1) 52,205 shares held in a trust for the benefit of executive officers pursuant to the long-term portion of HickoryTech's Executive Incentive Plan; (2) 45,000 shares held in a profit sharing trust; (3) 12,783 shares held in a family foundation; (4) 302,861 shares held by spouse of a director or executive officer; (5) 328,550 shares which may be acquired within 60 days after February 28, 2010, through the exercise of stock options and (6) 101,355 restricted shares that were awarded March 5, 2010.

OTHER EXECUTIVE OFFICERS

In addition to Mr. Finke, the executive officers of HickoryTech are as follows:

DAVID A. CHRISTENSEN, age 57, was appointed Senior Vice President in 2005 and has served as our CFO and Treasurer since 1986. Prior to 1986, he served as our Controller since joining the Company in 1979. He also has served as our Corporate Secretary since 1993.

DAMON D. DUTZ, age 61, has served as a Vice President since 2006 and has served as President of our Consumer and Network Solutions Division since September 2007, as President of our Consumer Solutions Division from February 2006 through August 2007, and as the Director of Operations for our Telephone Operations Sector from June 2000 to February 2006. Prior to joining HickoryTech, Mr. Dutz held numerous operations and management positions with GTE Telephone Operations. GTE was a provider of telecommunication services.

MARY T. JACOBS, age 52, has served as a Vice President since 1996, as our Vice President of Human Resources since 1998, and as our Director of Human Resources from 1993 to 1997. Prior to joining HickoryTech, Ms. Jacobs was Director of Human Resources for a division of International Multifoods, a food service company.

JOHN P. MORTON, age 55, has served as a Vice President since 2007 and as President of our Business Solutions Division since he joined HickoryTech in 2006. Prior to joining HickoryTech, Mr. Morton served as a Vice President of Business Development with Weber Associates from January 2004 to June 2005 and again in 2006 when he rejoined them as a Consultant. Previous to that Mr. Morton held several sales management positions with Verizon and GTE telephone operations with his most recent position being Senior Sales Director. Verizon is a provider of telecommunication services and GTE was a provider of telecommunication services.

LANE C. NORDQUIST, age 59, has served as a Vice President and as the President of our Information Solutions Division since joining the Company in 2000. Prior to joining HickoryTech, Mr. Nordquist worked for Select Comfort Corporation from 1996 to 2000 as its Vice President and Chief Information Officer. Select Comfort Corporation is a bedding manufacturer.

WALTER A. PRAHL, age 56, has served as a Vice President since 2006, as President of our Wholesale Solutions and Business Development Division since 2007, and as President of our Transport Solutions Division from 2005 to 2007. Mr. Prahl worked for ALLETE from 1977 to 2005 and was in the position of Chief Operating Officer of Enventis Telecom when we acquired that company in 2005.

There are no present family relationships between the executive officers, nor between the executive officers and the directors.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Philosophy and Objectives

It is our objective to maintain a compensation structure that will attract and retain highly qualified executives, and motivate them to achieve strong results. Executives will be compensated at a competitive level, using as a guideline, market compensation data for similarly situated executives at companies of a comparable size, especially those companies in our industry.

Our compensation program is a combination of base pay and pay at risk. It emphasizes pay-for–performance and compensation is dependent upon achievement of both corporate objectives, as well as individual performance. Our compensation program is intended to reward performance which drives successful Company results, enhance a culture that is team focused, and reward both individual success and the success of the overall organization, while considering shareholder return.

The Compensation Committee believes that the compensation packages for executive officers should consist of three principal components:

- Annual base salary
- Annual incentive, earned in cash and dependent on the Company’s annual financial performance
- Long-term incentive compensation focusing on the Company’s long-term strategic objectives, currently provided in the form of restricted stock.

The Committee considers multiple factors when determining the total at-target compensation (the sum of base salary, annual incentive and long-term compensation) for each position. The Committee uses market compensation data for similarly situated executives at competitive companies as a guideline in determining compensation, and generally looks at the median of the market as the guideline for all aspects of compensation; however, there will be variance from these guidelines based upon the role of the position within our organization and the executive’s experience and performance in achieving objectives.

On average, 59% of the compensation provided to our CEO is performance based, and for our other named executive officers, 52% of their compensation is performance based. The combination of base salary, annual incentives and long term incentive programs provide a balance and encourage executives to remain focused on both the short and long term operational and financial goals of the Company which are aligned with the interests of our shareholders.

The Compensation Committee evaluates the competitive levels of compensation for the CEO and other executives. The Committee hires an external compensation consultant at least once every three years to assist in reviewing the external marketplace and ensuring that the Company maintains its ability to attract and retain superior employees in key positions.

Administration of Our Compensation Program—Role of Compensation Committee

Our Compensation Committee is responsible for establishing and implementing the compensation program for executives. During 2009, each member of the Compensation Committee was an independent director within the meaning of the listing requirements of the NASDAQ Stock Market. The Committee ensures that the total compensation paid at target to the executive team is fair, reasonable and competitive.

The Compensation Committee annually considers and approves the base salary for our executive officers and recommends to the Board, for its approval, the financial performance objectives under our annual incentive plan, the Executive Incentive Plan. The Compensation Committee also administers our Long-Term Executive Incentive Program, which provides compensation for achievement of longer term strategic goals and they approve, and recommend to the Board for its approval, the grant of any discretionary equity-based benefits such as stock grants or stock options. The Compensation Committee retains the discretion to recommend to the Board special compensation treatment beyond the compensation plans outlined if they determine appropriate.

Our full Board, without the participation of our executive officers who may be Board members, has authority to approve the financial performance objectives and any payouts under both our annual Executive Incentive Plan and the Long-Term Executive Incentive Program.

Our President/CEO annually reviews the performance of the executives and provides a recommendation to the Compensation Committee for the annual base salary levels of our executives. The Compensation Committee considers the recommendation of the President/CEO in determining the salary levels of executives, together with other statistical and competitive information. Our President/CEO does not; however, make a recommendation regarding his own compensation or participate in the executive session of the Compensation Committee at which his own salary level is approved.

We conduct a survey of peer and similarly sized companies not less than once every three years to provide market compensation data for our compensation decisions and to make certain our decisions are not inconsistent with market focus. In 2009, the Compensation Committee hired an external compensation consultant, Sibson Consulting, a division of the Segal Company, to assist in reviewing the market data and to make recommendations for the competitiveness and integrity of our executive compensation programs. The Compensation Committee made the decision to contract with Sibson Consulting, and the consultant reported directly to the Compensation Committee for this study. The consultant provided the Committee with relevant executive compensation trends along with market data on total compensation, base salary, annual and long-term incentives, and perquisites, as well as competitive information on change of control agreements. The Committee considers input from the compensation study as one component in determining the executive compensation plans. Our Compensation Committee considered information from the compensation consultant, which was derived from both published surveys and available proxy data for peer companies, to formalize its recommendation on the executive compensation structure. For the 2009 compensation review, the peer group consisted of 12 companies. The companies were selected based on revenue size, industry and comparable business lines and business complexity. The peer group consists of:

- 8x8
- Alaska Communications Systems
- CBeyond
- Cogent Communications Group
- Consolidated Communications Holdings
- Iowa Telecommunication Services
- Knology
- New Ulm Telecom
- Otelco
- Shenandoah Telecommunications
- SureWest Communications
- Warwick Valley Telephone

Executive Compensation Components

We provide executives with a compensation package consisting of base salary and both short and long term incentive, or at-risk compensation, which are payable in cash and stock based awards. Our annual incentive compensation is based on our Executive Incentive Plan and our Compensation Committee establishes financial goals under this plan annually. Our longer-term incentive compensation is through our Long-Term Executive Incentive Program, which is tied to HickoryTech's overall long-term strategic objectives.

The 2009 review of our executive compensation programs done in conjunction with the external consultant validated the structure of our current executive programs. However, the review noted that actual at-target compensation currently being paid to our executives fell below market, primarily due to our executives' base salaries continuing to be below market rates, along with lower at-target compensation under the Long-Term Executive Incentive Program.

Base Salary. Adjustments to base salary are considered by the Committee annually. When determining base salary increases, the performance of individuals as well as the performance of HickoryTech is considered, along with the competitiveness of the base salary and internal equity. Base salary increases for the President/CEO are recommended by the Compensation Committee and approved by the Board. Our President/CEO reviews the performance of the other executives and provides a recommendation for base salary increases to the Compensation Committee for their review and approval.

In addition, base salaries and total compensation are reviewed at the time of promotion. When determining increases to base salaries due to promotion the change in responsibilities, the market compensation of the position, the competitiveness of the compensation and internal equity are considered.

Effective January, 2009, all executives, including our CEO, John Finke, went under a wage freeze and did not receive any adjustment to their base salary. This wage freeze was implemented as a cost control measure in 2009 due to the uncertain economic environment. The wage freeze will continue until April, 2010, constituting a 15 month wage freeze for executives.

In the 2009 executive compensation review, which concluded late in the year, the Compensation Committee, with the assistance of the external compensation consultant, reviewed the level of executive base salaries and the competitive market information. As a result of the analysis they made slight adjustments to the ranges for base salary for each executive position, using the median for comparable positions as a guideline. The established salary ranges are reviewed annually and may be adjusted based on published market data related to salary structure movement for similarly situated companies. These ranges are used as guidelines and are one aspect of what the Committee considers when determining base salary compensation treatment for executives.

Although the salary ranges established for executives are competitive to market, a number of the executives' current base salaries are not yet at the minimum of the range for their position. After discussions, the Committee established the philosophy that executive base salaries should be at least at the minimum of the salary range for their position. The philosophy of paying no less than the minimum of the market-based base salary range is a consistent philosophy throughout the HickoryTech organization, but had not been previously applied to executive compensation due to the Board's previous philosophy of having a larger percentage of executive compensation at risk compared to the competitive market. Any executive not currently at the minimum of their salary range will be moved to that level in 2010. The Committee further recommended that more aggressive salary treatment continue in future years until the executive's base salary is at a position in their salary range reflective of their experience in the role. All salary treatment will be dependent upon performance of the executive and budgetary considerations. The Board approved this philosophy and approach.

Performance-Based Incentive Compensation. To motivate executives to achieve the Company's business goals and reward them for achieving those goals, a portion of each executive's compensation is performance based and at-risk. These at-risk incentive components include the Executive Incentive Plan (EIP), which is an annual cash based incentive plan, and the Long-Term Executive Incentive Program (LTEIP), which is a multi-year stock based program implemented under our 1993 Stock Award Plan.

Both the annual and the long-term incentive plans were reviewed as part of the 2009 executive compensation study completed in conjunction with an external consultant. The provisions for the annual incentive plan, the EIP, were determined to be sound and the at-target ranges were within market rates. The provisions for the Long-Term Executive Incentive Program(LTEIP) were also determined to be well founded, however, the at-target ranges for some of the executive positions were below market rates.

Annual Incentive—The Executive Incentive Plan (EIP).

The Committee recommended, and the Board approved, retaining the current plan provisions of the EIP and the at-target ranges.

Each executive is eligible to participate in the EIP, which provides them an opportunity to earn a cash incentive payment if the pre-established annual financial objectives are met. Each executive has a targeted payout, which is expressed as a percentage of the executive's base salary. This is multiplied by the level of achievement of the weighted objectives established under the plan to determine the payout. Mr. Finke has an at-target incentive opportunity of 60% of his base salary. Mr. Christensen, our Chief Financial Officer, and the Presidents of our business units have an at-target opportunity of 52.5% of their base salary.

The Executive Incentive Plan has a threshold that must be met prior to any payouts being made under the plan. For 2009, the threshold was based on Adjusted Cash Flow, which was calculated as earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted for the cash impacts of capital expenditures, interest and minimum principal repayment on indebtedness, and taxes (See Non-GAAP Reconciliation Section on page 20). If 50% of the net budgeted Adjusted Cash Flow is obtained, the EIP threshold is met and incentive payouts can be earned. Additionally, the Committee established and the Board approved specific annual financial objectives for 2009 under the EIP. Each objective was weighted to reflect the critical financial focus areas for the year. After the threshold was met, the achievement for each objective was used to calculate the payout under the plan. At least 85% of an individual financial objective had to be achieved in order to earn any payout under a specific objective, and in 2009, the net income objective had to be achieved at 100% in order to obtain a payout under that objective. If actual results achieved are lower than the pre-established objective, any awards earned are reduced 3% for each 1% the actual result is less than the objective, from the 85% to 100% achievement level. Objectives that are achieved at-target receive 100% of the award. For any achievement over 100% of the objective, the payment is increased 3% for each 1% the actual results exceed the target, with a maximum 200% payout under each objective except for EBITDA. The EBITDA objective has a different multiplier. If the actual EBITDA results achieved exceed the objective by more than 101% payment will be increased by 10% for every 1% actual results exceed the objective up to the 200% maximum payout. EBITDA is a key financial measure for our Company and this payout structure helps ensure that this objective receives the necessary focus. It is a stretch objective that can still be achieved above 100% with extraordinary effort.

The President/CEO and executives all share the same EIP objectives and weightings, although their at-target bonus amounts vary dependent on their position. In order to achieve the strongest results, our executives must work together as one team, supporting each other's work groups. Therefore, the Committee recommended and the Board approved, one set of objectives shared by the President/CEO and all other executives. In 2009 there were payouts earned under the EIP. The plan threshold of Adjusted Cash Flow was met and the pre-established financial objectives were all achieved above the 85% minimum level, and therefore, incentive awards were made to the President/CEO and all executives under the EIP. The 2009 net income of the Company includes a reduction of accrued income taxes under generally accepted accounting principles. The details are outlined in the Management's Discussion and Analysis of Financial Condition and Results of Operation Section of our Annual Report on Form 10-K. The Compensation Committee reviewed this and after discussion with the Board determined that it was appropriate to include this accounting treatment for the calculated incentive awards.

The 2009 EIP objectives, weightings, results and awards earned are reflected in the following table.

	Net Income	ROIC	EBITDA	Revenue
Weighting	30 %	15 %	35 %	20 %
Objective	$ 7,159,908	12.6 %	$ 42,262,756	$ 185,280,082
Result	$ 11,273,115	12.4 %	$ 39,761,886	$ 161,937,219
% of Achievement	157.4 %	98.4 %	94.1 %	87.4 %
Payout %	200 %	95.2 %	82.3 %	62.2 %

Long-Term Incentive—Long-Term Executive Incentive Program (LTEIP).

The LTEIP has a longer term focus than the annual incentive plan. It is designed to drive shareholder value through alignment of executive pay with corporate strategic goals. It supports alignment between executive actions and HickoryTech's long-term strategic plan. It also encourages retention of executives through a vesting period for the shares issued under the LTEIP.

Under this program, executives can earn shares of our common stock based on achievement of pre-established objectives over a two or three-year period called the Program Period. Our Compensation Committee has established a range of shares possible for payout for each executive position, based on competitive compensation data and the role of the executive. The Committee analyzes the Company's strategic plan and from that determines the LTEIP objectives for each Program Period. These objectives are recommended to the full Board, along with the length for each Program Period. A Program Period can be established for two or three years and multiple Program Periods can overlap.

Any shares earned under the program are issued in the executive's name and entitle the executive to dividends and voting rights for these shares, but are "restricted stock" and are subject to forfeiture back to HickoryTech if the executive leaves our employ before the shares vest. Half of the shares vest 30 days after they are awarded and the remainder vest 12 months after the award date, with certain payout provisions in the event of the retirement, death or disability of an executive who has been in the Program Period for one year. If at the time of retirement, death, or disability, the participant has been in the Program Period for less than one year following its initiation the Board has the sole discretion to grant a pro-rated payout earned under the Program Period to such participant under the program.

Shares are earned at the close of the Program Period, based on achievement of pre-established objectives. An award is earned if an objective is achieved at the threshold level of 75%. The threshold award is 75% of the at-target award. If the objective is achieved at less than a 75% level, no award is earned. If at-target performance is achieved, a 100% award is earned and if 125% or higher level of achievement is obtained, the maximum of 125% of the award is earned, using linear interpolation between all the performance levels.

Each executive position has an at-target award range which can be earned under the program. The range has a threshold, at-target, and maximum number of shares which can be earned by each executive. Our Compensation Committee establishes the objectives for the Program Period and these are approved by the Board. Each objective is weighted based on its importance to the organization in that specific Program Period, and each executive under the program has the same objectives with the same weightings, to support the concept of operating as one team. For Program Periods initiated between 2005 and 2009, the at-target potential value of the award for a participant is converted to shares by dividing the at-target award value by the share price at the initiation of the Program Period. If the stock price increases, the value of the award to the executive increases. If the stock price decreases, the value of the award to the executive decreases. For Program Periods initiated from 2010 forward, this practice will be discontinued and the at-target range will be expressed in dollars until the time the award is granted to avoid the required quarterly adjustments to the accrual in the Company's financials based on share price fluctuations.

As part of the 2009 executive compensation review with the external consultant the competitiveness of the overall LTEIP was evaluated, including the plan provisions and the at-target award range. The provisions of the LTEIP were determined to be effectively aligned to support the Company's goals, however the at-target award range was found to be below market level. The Committee recommended, and the Board approved, increased at-target ranges for the Program Periods initiated in 2010 and forward. It was determined that no changes would be made to the ranges for the existing Program Periods (2007-2009, 2008-2010 and 2009-2011). It has been the philosophy of the Committee not to revise existing Program Periods.

The 2008-2010 and the 2009-2011 Program Periods remain open. The 2007-2009 Program Period closed at year-end 2009.

2007-2009 LTEIP Program Period
In 2007, our Compensation Committee recommended and our Board approved a LTEIP for the period starting January 2007 and concluding December 2009 (2007-2009). Three strategic objectives were established for the three-year term of this program, based on the Company's Strategic Plan (See Non-GAAP Reconciliation Section on page 20): net income (weighted at 50%), overall revenue growth (weighted at 25%), growth in revenue from strategic lines of business (weighted at 25%).

We initially intended to create a new long-term executive incentive program annually with overlapping program periods of two or three years, but because we were developing a new five-year business strategy the Committee decided not to initiate a program period beginning in 2006. Instead, the Committee established increased at-target payouts for the 2007-2009 Program Period to be earned if the pre-established objectives were achieved. This increased at-target payout applied to the six executive officers, including the President/CEO, who were in their positions in 2006, and the at-target range which could be earned if the objectives were obtained was increased by 50% making the total at-target ranges 150% of the established ranges. The President of Business Solutions was not in his position in 2006 and as a result he was not eligible for the enhanced at-target award. His at-target award remains at the standard at-target level which was in place at the time.

The table on the next page discloses the at-target award ranges for the President/CEO, Chief Financial Officer and Business Unit Presidents. This range of shares was determined by dividing the dollar value of the at-target potential award by the fair market value of the stock on the date of the plan initiation. For the President/CEO position, the $300,000 at-target value was divided by $7.10, which was the fair market value of the stock at the initiation of the Program Period on January 1, 2007. Due to the low trading volume characteristic of our stock, all of our stock plans calculate the fair market value of our stock by using a five day average. This method, outlined in the 1993 Stock Award Plan, was used to determine the $7.10 stock price.

2007-2009 LTEIP Program Period - Objectives & Results

Objective	Weighting	Percentage of Achievement	Percentage of Payout
Achieve the Net Income Objective of $7,200,000	50 %	156.6 %	125 %
Grow total revenues for HickoryTech by $29,395,000	25 %	21.1 %	0 %
Grow strategic revenues by $23,908,000	25 %	112.1 %	112.1 %

2007-2009 LTEIP Program Period - At-Target Ranges

	Threshold	At-Target	Maximum	Actual Payout
John Finke, President/CEO	31,689 shares	42,253 shares	52,816 shares	38,249 shares
David Christensen, Chief Financial Officer	9,505 shares	12,675 shares	15,843 shares	11,474 shares
Damon Dutz, Lane Nordquist, Business Unit Presidents	9,505 shares	12,675 shares	15,843 shares	11,474 shares
John Morton, Business Unit President	6,337 shares	8,450 shares	10,562 shares	7,649 shares

2008-2010 LTEIP Program Period

Early in 2008, the Board authorized a three-year LTEIP Program Period beginning in January 2008 and ending in December 2010 (2008-2010) that will pay equity incentives based on achievement of two objectives: cumulative HickoryTech revenues over the three-year period (weighted at 50%), and a shareholder value measure based on a multiple of EBITDA as of December 31, 2010 (weighted at 50%). Due to the competitive nature of the information, the specific measurements are not noted until the Program Period concludes. The Committee considers the objectives obtainable, but they will be a stretch to achieve. Based on historical performance, although attainment of this performance level is uncertain, it can reasonably be anticipated that threshold performance may be achieved, while the target and maximum goals represent increasingly challenging and aggressive levels of performance. As a comparison point, under the 2007-2009 Performance Period, the overall revenue objective did not earn a payout. The overall net income objective was achieved at the maximum level. The current challenging economic environment has made it difficult to obtain revenue objectives, and the probability of obtaining this three-year cumulative revenue objective at-target is low. The shareholder value objective is viewed as aggressive, but still obtainable near at-target levels.

The at-target award range for the 2008-2010 Program Period is disclosed in the following table. This range of shares was determined by dividing the dollar value of the at-target potential award by the fair market value of the stock on the date of the Program Period initiation. For the President/CEO position, the at-target award value of $200,000, was divided by $9.21, which was the fair market value of the stock at the initiation of the Period on January 1, 2008. Due to the low trading volume characteristic of our stock, all of our stock plans calculate the fair market value of our stock by using a five-day average. This method, outlined in the 1993 Stock Award Plan, was used to determine the $9.21 stock price.

2008-2010 LTEIP Program Period - At-Target Ranges

	Threshold	At-Target	Maximum
John Finke, President/CEO	16,286 shares	21,715 shares	27,144 shares
David Christensen, Chief Financial Officer	4,885 shares	6,514 shares	8,143 shares
Damon Dutz, John Morton, Lane Nordquist, Business Unit Presidents	4,885 shares	6,514 shares	8,143 shares

2009-2011 LTEIP Program Period

In early 2009, the Board authorized a three-year LTEIP Program Period beginning in 2009 and ending December 31, 2011 (2009-2011). There are two objectives under this Program Period: cumulative operating cash flow over the three-year period, defined as EBITDA less capital expenditures (See Non-GAAP Reconciliation Section on page 20) (75% weighting), and cumulative HickoryTech revenues over the three-year period (25% weighting). For the 2009–2011 Program Period, the share range is disclosed in the following table in this section. This range of shares was determined by dividing the dollar value of the at-target potential award by the fair market value of the stock on the date of initiation of the Program Period. For the President/CEO the at-target award value of $200,000 was divided by $5.90, which was the fair market value of the shares at the initiation of the Program Period in January 1, 2009. Due to low trading volume characteristic of our stock, all of our stock plans calculate the fair market value by using a five-day average.

The actual financial measures are not disclosed due to the competitive nature of the information. At this time, the objectives are considered obtainable, but aggressive. Based on historical performance, although attainment of the performance level is uncertain, it can reasonably be anticipated that threshold performance may be achieved, while the target and maximum goals represent increasingly challenging and aggressive levels of performance. As a comparison point, under the 2007-2009 Performance Period, the overall revenue objective did not earn a payout and the overall net income objective was achieved at the maximum level. The three-year cumulative feature of the objective in this Program Period and the timing of the continuing recovery of the economy will potentially impact the actual results.

2009-2011 LTEIP Program Period - At-Target Ranges

	Threshold	At-Target	Maximum
John Finke, President/CEO	25,424 shares	33,898 shares	42,373 shares
David Christensen, Chief Financial Officer	7,627 shares	10,169 shares	12,711 shares
Damon Dutz, John Morton, Lane Nordquist, Business Unit Presidents	7,627 shares	10,169 shares	12,711 shares

The estimated payouts for the LTEIP 2009–2011 Program Period are outlined in the Grants of Plan-Based Awards table on page 24.

Non-GAAP Reconciliation

Some of our executive incentive plans have financial objectives associated with them that are not standard GAAP measurements. These non-GAAP measurements are defined and reconciled to our financial statements below for purposes of a sample calculation.

Dollars in Thousands

1. EBITDA

EBITDA	2009
Net Income (a GAAP measure)	$11,273
Add:	
Income tax	499
Interest expense	6,918
Depreciation	20,176
Amortization	1,001
Subtract:	
Interest and other income	(105)
EBITDA as defined in our compensation plan	$39,762

2. Adjusted Cash Flow as defined for the 2009 Executive Incentive Plan (EIP)

Adjusted Cash Flow	2009
EBITDA as defined in our compensation plan (above)	$39,762
Subtract:	
Capital Expenditure (additions to property, plant and equipment)	(17,893)
Mandatory amortization of debt principal	(1,300)
Interest expense, net book	(6,918)
Taxes paid, net cash	(1,622)
Adjusted Cash Flow as defined in our 2009 compensation plan	$12,029

3. Pre-Elimination Revenue under the 2009 EIP

Pre-Elimination Revenue	2009
Total Operating Revenue, after eliminations (a GAAP measure)	$139,102
Add:	
Intersegment Revenue: Enventis	500
Intersegment Revenue: Telecom	1,217
Intrasegment Revenue: Telecom	21,118
Pre-Elimination Revenue as defined in our 2009 compensation plan	$161,937

4. Strategic Revenues under the LTEIP 2007-2009 Program Period

Strategic Revenue	2009
Pre-Elimination Revenue, as defined in our 2009 compensation plan (above)	$161,937
Subtract:	
Non-Strategic Revenue (examples: Equipment Sales, Telecom local service, Telecom network access, etc.)	(103,764)
Strategic Revenue as defined in our compensation plan	$58,173

Stock Options

We currently do not have an ongoing program to grant stock options to executives and do not have a written grant policy. Stock options can be awarded to executives based on unique circumstances if recommended by the Compensation Committee and approved by the Board. Any shares for stock options issued are from the 1993 Stock Award Plan. The Committee has not chosen to grant stock options since 2006.

Executive Compensation Deferral Program

Annually, executives have the opportunity to voluntarily defer a portion of their base compensation or their annual incentive payment for the upcoming year. Under our Executive Compensation Deferral Program, if an executive officer elects to defer compensation, it is maintained in a book account subject to creditors. Interest is credited to the account quarterly. The interest rate for this program is equal to a ten-year Treasury yield rate as established at the beginning of the calendar year. The minimum interest rate that can be earned is 4% and the maximum interest rate is 12%. The balance in the account can only be received when the participant terminates from the Company and it is paid in five equal annual installments after termination. All payments will be made in accordance with 409A of the Internal Revenue Code.

In 2009, Mr. Finke chose to voluntarily defer $2,000 of base compensation each two week pay-period.

Under a former compensation plan, we contributed shares earned to a Rabbi Trust for the benefit of some of our named executives. Shares continue to be held by this Rabbi Trust and an amount equal to dividends earned on those shares is contributed to the plan for the benefit of the executives. With the exception of the additional shares representing the value of dividends, no contributions are made to this Trust by the executive or by us. The executive is entitled to distribution of the shares in the trust only upon termination of employment, and is paid in shares of HickoryTech stock in three equal annual installments following termination. Messrs. Finke, Christensen and Nordquist have interests in the Rabbi Trust.

Employment and Retirement Benefits

In order to attract and retain employees and provide support in the event of illness or injury, we offer all employees, including our executives, medical and dental coverage, disability insurance, and life insurance. All executives are entitled to participate in these plans under the same terms as the other HickoryTech employees. We also support executive health by providing payment for an executive physical every two years. For Mr. Finke, as part of his promotion to President/CEO, we have also agreed to provide continued health coverage and life insurance after retirement. These benefits are described under the caption, Employment Contracts, Change of Control Agreements, Severance Agreements and Other Agreements on page 27 of this proxy.

We do not have a defined benefit plan for executives or employees, but instead encourage saving for retirement through our Retirement Savings Plan 401(k). Employees, including our executives, may contribute up to 50% of their eligible compensation into the plan, and we match 100% of the first 6% of employee contributions. All employee contributions and any matching Company contributions are fully vested upon contribution.

Under a previous plan, we established a supplemental retirement account for Mr. Christensen, our CFO, and we ceased further principal additions to that account in 1994. As part of the compensation associated with Mr. Finke's promotion to President/CEO, we established a supplemental retirement account to which we will contribute an amount equal to 10% of his salary annually for ten years beginning in 2007. In 2009, $30,000 was contributed to Mr. Finke's supplemental retirement account as per his Employment Agreement. For both of these accounts, the account is credited with annual interest based on a ten-year Treasury yield rate as determined at the beginning of each calendar year. The minimum interest rate is 4% and the maximum is 12%. The executive is entitled to distribution of the supplemental retirement account in five equal annual cash installments upon termination.

Severance and Change of Control Benefits

We entered into an employment agreement with Mr. Finke at the time of his promotion to President/CEO. The employment agreement with Mr. Finke provides for severance benefits equal to 18 months salary in the event we terminate his employment without cause, or if he terminates for good reason, as defined in his Employment Agreement. This is in exchange for a 24-month agreement not to compete.

We also entered into an employment agreement with Mr. Morton, President of our Business Solutions Division at the time he was hired. The employment agreement with Mr. Morton provides for severance benefits equal to 12 months salary in the event we terminate his employment without cause, or if he terminates for good reason, as defined in his Employment Agreement. This is in exchange for an 18-month non-compete agreement.

In order to make certain our executives will continue to remain in our employ and remain focused on running the business and providing maximum value for shareholders, we also have Change of Control Agreements with our executive officers. These agreements provide that the executive will be paid between two and three times their annual compensation in the event the executive is terminated within three years after a change of control. These agreements are described in more detail under the caption Employment Contracts, Change Of Control Agreements, Severance Agreements and Other Agreements on page 27.

Perquisites and Other Personal Benefits

We do not provide substantial perquisites to executives, but instead limit perquisites to personal use of Company-provided vehicles, executive physicals, club memberships and a limited amount of reimbursement for legal fees associated with their positions. Two of our executives, including Mr. Finke, have a Mankato area country club membership paid for by the Company. Our Compensation Committee believes these limited perquisites are reasonable and consistent with our overall compensation program to better enable us to attract and retain superior executives. The Committee periodically reviews the levels of perquisites and other personal benefits provided to executive officers, most recently during the 2009 executive compensation review. This 2009 review with an outside consultant confirmed the current perquisites are reasonable and competitive.

Stock Ownership Guidelines

In 2002 the Compensation Committee recommended and the Board approved stock ownership guidelines for all executives. These guidelines state that executive officers should own shares of HickoryTech stock with a value equal to 1.5 times their annual base salary and that the President/CEO should own shares of our stock equivalent to 3.0 times his annual base salary. The guidelines outline that executives will have five years from the establishment of the guidelines or entry into their position to meet these guidelines. Stock options are considered at 30% of their grant value for this calculation. Each executive officer is currently in compliance with these guidelines or is within the five-year time period to achieve the ownership levels.

SUMMARY COMPENSATION TABLE

The table below summarizes the compensation we paid to the persons serving as our Chief Executive Officer and Chief Financial Officer and each of the other three most highly compensated executive officers during the past three years. We do not have any defined pension plans and, although we have a non-qualified deferred compensation plan, we do not pay or credit preferential earnings on contributions to that plan.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards (1) ($)	Option Awards (1) ($)	Non-Equity Incentive Plan Compensation (2)($)	All Other Compensation ($)	Total ($)
John Finke	2009	300,000				207,945	62,108 (3)	570,053
President and Chief	2008	299,307		34,838		187,290	64,056 (3)	585,491
Executive Officer	2007	269,808		26,063		277,879	58,077 (3)	631,826
David Christensen	2009	175,000				106,139	17,263 (4)	298,402
Senior Vice President,	2008	174,836		17,419		95,596	14,935 (4)	302,786
Chief Financial Officer, Secretary/Treasurer	2007	167,768		13,031		151,188	13,653 (4)	345,640
Damon Dutz	2009	157,000				95,221	19,223 (5)	271,445
Corporate Vice	2008	156,770				85,763	15,978 (5)	258,511
President, President of Consumer & Network Solutions	2007	146,853				118,236	16,111 (5)	281,200
John Morton	2009	170,000				103,106	13,133 (6)	286,239
Corporate Vice President, President of Business Solutions	2008	169,653				92,865	12,376 (6)	274,894
Lane Nordquist	2009	169,000				102,500	24,841 (7)	296,341
Corporate Vice	2008	168,884		17,419		92,318	28,874 (7)	307,496
President, President of Information Solutions	2007	163,917		13,031		129,263	25,227 (7)	331,439

(1) Reflects the aggregate grant date fair value of stock that vested in 2008 and 2007 computed in accordance with FASB ASC Topic 718.

(2) For 2009, includes incentives earned in 2009 under the Executive Incentive Plan, but paid in 2010. For 2008, includes incentives earned in 2008 under the Executive Incentive Plan, but paid in 2009. For 2007, includes incentives earned in 2007 under the Executive Incentive Plan, but paid in 2008.

(3) For 2009, includes a contribution in the amount of $30,000 to a Supplemental Retirement Account, matching contributions to HickoryTech's 401(k) plan, personal use of a Company-provided vehicle, membership to a local country club and premiums plus tax gross-up for life insurance benefit. For 2008, includes a contribution in the amount of $30,000 to a Supplemental Retirement Account, matching contributions to HickoryTech's 401(k) plan, personal use of a Company-provided vehicle, membership to a local country club, premiums plus tax gross-up for life insurance benefit, dividends paid on unvested restricted shares of HickoryTech stock earned under the Long-Term Executive Incentive Program and payment for an executive physical. For 2007, includes a contribution in the amount of $27,000 to a supplemental retirement account, matching contributions to HickoryTech's 401(k) plan, personal use of a Company-provided vehicle, dividends paid on unvested restricted shares of HickoryTech stock earned under the Long-Term Executive Incentive Program and a membership to a

local country club.

(4) For 2009 includes matching contributions to HickoryTech's 401(k) plan and payment for an executive physical. For 2008 and 2007 includes employees matching contributions to HickoryTech's 401(k) plan and dividends paid on unvested restricted shares of HickoryTech Stock earned under the Long-Term Executive Incentive Program.

(5) For 2009, 2008 and 2007 includes matching contributions to HickoryTech's 401(k) plan and personal use of a Company-provided vehicle.

(6) For 2009 and 2008 includes matching contributions to HickoryTech's 401(k) plan and personal use of a Company-provided vehicle.

(7) For 2009 includes matching contributions to HickoryTech's 401(k) plan, personal use of a Company-provided vehicle and membership to a local country club. For 2008, includes matching contributions to HickoryTech's 401(k) plan, personal use of a Company-provided vehicle, membership to a local country club, dividends paid on unvested restricted shares of HickoryTech stock earned under the Long-Term Executive Incentive Program and payment for an executive physical. For 2007, includes matching contributions to HickoryTech's 401(k) plan, personal use of a Company-provided vehicle, dividends paid on unvested restricted shares of HickoryTech stock earned under the Long-Term Executive Incentive Program and membership to a local country club.

GRANTS OF PLAN-BASED AWARDS IN 2009

The following table shows awards that were granted during 2009 under non-equity and equity plans, including our Long-Term Executive Incentive Program and the Executive Incentive Plan, to the executives named in the Summary Compensation Table. We did not grant any stock options or restricted stock independent of our Long-Term Executive Incentive Program.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards (1)			Estimated Future Payouts Under Equity Incentive Plan Awards		
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#) (shares)	Target (#) (shares)	Maximum (#) (shares)
John Finke	01-01-09				25,424	33.898	42.373
	02-25-09	$ 69,300	$ 180,000	$ 360,000			
David	01-01-09				7,627	10,169	12,711
Christensen	02-25-09	$ 35,372	$ 91,875	$ 183,750			
Damon Dutz	01-01-09				7,627	10,169	12,711
	02-25-09	$ 31,734	$ 82,425	$ 164,850			
John Morton	01-01-09				7,627	10,169	12,711
	02-25-09	$ 34,361	$ 89,250	$ 178,500			
Lane Nordquist	01-01-09				7,627	10,169	12,711
	02-25-09	$ 34,159	$ 88,725	$ 177,450			

(1) Represents potential payouts that could be earned under our Executive Incentive Plan for 2009. Any payouts earned were paid in March 2010 and are shown on the Summary Compensation Table on page 23.

(2) Represents potential payouts under the 2009-2011 Long-Term Executive Incentive Program.

OUTSTANDING EQUITY AWARDS AT 2009 FISCAL YEAR-END (1)

	Option Awards				Stock Awards			
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares That Have Not Vested (#)	Equity Incentive Plan Awards: Payout Value of Shares That Have Not Vested ($)
John Finke	15,000		$6.95	9/1/2016				
	15,000		$10.85	2/16/2015				
	12,500		$ 11.68	2/15/2014				
	5,000		$ 8.02	2/15/2013				
	12,000		$ 13.16	5/31/2012				
	12,000		$ 14.00	5/31/2011				
	10,000		$ 14.0625	5/31/2010				
					38,249	$ 337,739	21,715(4)	$191,743(4)
							33,898(5)	$299,319(5)
David Christensen	5,000		$10.85	2/16/2015				
	9,000		$ 11.68	2/15/2014				
	5,000		$ 8.02	2/15/2013				
	12,000		$13.16	5/31/2012				
	8,000		$ 14.00	5/31/2011				
	8,500		$14.0625	5/31/2010				
					11,474	$ 101,315	6,514(4)	$ 57,519(4)
							10,169(5)	$ 89,792(5)
Damon Dutz	1,500		$10.76	12/01/2014				
	1,500		$ 11.80	12/23/2013				
	1,300		$ 10.22	12/02/2012				
	1,500		$16.98	12/03/2011				
	500		$ 20.125	12/01/2010				
					11,474	$ 101,315	6,514(4)	$ 57,519(4)
							10,169(5)	$ 89,792(5)
John Morton					7,649	$67,541	6,514(4)	$ 57,519(4)
							10,169(5)	$ 89,792(5)
Lane Nordquist	5,000		$10.85	2/16/2015		$ 101,315	6,514(4)	$ 57,519(4)
	5,000		$ 11.68	2/15/2014			10,169(5)	$ 89,792(5)
	5,000		$ 8.02	2/15/2013				
	12,000		$ 13.16	5/31/2012				
	11,000		$ 14.00	5/31/2011				

11,474

(1) Options shown in this table were granted between 1999 and 2006. No options have been granted since 2006.

(2) Represents earned shares under the Long Term Executive Incentive Program of which one-half vest within 30 days and one-half vest one year after grant. Shares set forth in the table were earned as of December 31, 2009.

(3) Based on the $8.83 closing price of our common stock on the NASDAQ Global Market on December 31, 2009.

(4) Represents the payout of incentives at target under our 2008-2010 Long-Term Executive Incentive Program that was established in 2008. Payout value equals the number of shares at target multiplied by the $8.83 closing price of our common stock on the NASDAQ Global Market on December 31, 2009.

(5) Represents the payout of incentives at target under our 2009-2011 Long-Term Executive Incentive Program that was established in 2009. Payout value equals the number of shares at target multiplied by the $8.83 closing price of our common stock on the NASDAQ Global Market on December 31, 2009.

2009 OPTION EXERCISES AND STOCK VESTED

Name	Option Awards: Number of Shares Acquired on Exercise (#)	Option Awards: Value Realized on Exercise ($)	Stock Awards: Number of Shares Acquired on Vesting (#)	Stock Awards: Value Realized on Vesting ($)
John Finke	0	0	0	0
David Christensen	0	0	0	0
Damon Dutz	0	0	0	0
John Morton	0	0	0	0
Lane Nordquist	0	0	0	0

NONQUALIFIED DEFERRED COMPENSATION FOR 2009

The following table provides information about contributions to, and amounts earned in, nonqualified deferred compensation accounts for the named executives during 2009. For Mr. Finke the amounts reflected in the table represent: compensation voluntarily deferred by Mr. Finke, the Company's contribution to Mr. Finke's Supplemental Retirement Account and associated interest earnings. For Mr. Christensen it reflects interest earned on compensation voluntarily deferred by Mr. Christensen in previous years. All interest is at a rate equal to the ten year Treasury yield rate as of a pre-determined January date. For Mr. Finke, Mr. Christensen and Mr. Nordquist it reflects an amount equivalent to the value of dividends earned on those shares which are maintained in the Rabbi Trust. Except for additional shares representing the value of dividends, no additional contributions are made to the Rabbi Trust by the executive or by the Company. Shares accumulated in the Rabbi Trust, cash accumulated in Mr. Christensen's Supplemental Retirement Account and all deferred compensation accounts are distributable to the executive only upon termination of employment. The payout arrangements for Mr. Finke's Supplemental Retirement Account are described in detail under the caption Employment Contracts, Change of Control Agreements, Severance Agreements and Other Agreements on page 27.

Name	Executive Contributions in 2009 ($)		Registrant Contributions in 2009 ($)		Aggregate Earnings in 2009 ($)		Aggregate Withdrawals/ Distributions ($)	Aggregate Balance as of 12/31/09 ($)	
John Finke	$ 52,000	(1)	$ 30,000	(2)	$11,409	(3)	$ 0	$302,246	(4)
David Christensen	$ 0		$ 0		$19,334	(5)	$ 0	$392,450	(6)
Damon Dutz	$ 0		$ 0		$0		$ 0	$0	
John Morton	$ 0		$ 0		$0		$ 0	$0	
Lane Nordquist	$ 0		$ 0		$2,796	(7)	$ 0	$49,492	(7)

(1) Represents compensation deferred by Mr. Finke.

(2) Represents a contribution the Company made to Mr. Finke's Supplemental Retirement Account in the amount of $30,000, which is an amount equivalent to 10% of Mr. Finke's base salary.

(3) Mr. Finke earned $3,236 of interest on his Deferred Compensation account balance and $2,323 of interest on his Supplemental Retirement Account balance. Interest is earned annually on Mr. Finke's Supplemental Retirement Account and quarterly on his Deferred Compensation Account. Mr. Finke has shares of HickoryTech common

stock held in a Rabbi Trust. His shares earned $5,850, an amount equal to the value of dividends on the shares in the trust, and this was contributed to the trust in the form of additional shares.

(4)