

LUMOS NETWORKS CORP.

Corporate Governance Guidelines

(As of December 16, 2015)

I. Board of Directors

- The directors of Lumos Networks Corp. (the “Company”) are elected by its stockholders to oversee management and to act in the best interest of the Company and its stockholders.

II. Ethical Business Principles

- Integrity and ethical behavior are core values of the Company. The Board of Directors and employees shall reflect such principles in the conduct of business. The Board is responsible to provide the best example of these values and should reinforce their importance at appropriate times.
- The Audit Committee should review periodically the Company’s Code of Business Conduct and Ethics. The Audit Committee is responsible for evaluating periodically the adequacy of the policies included in the Code of Business Conduct and Ethics. The Audit Committee should have management confirm periodically that those policies are fully understood and implemented.

III. Board Composition

- The Board of Directors shall consist of the number of directors as the Board of Directors may determine from time to time, subject to compliance with Section 14 of the Investor Rights Agreement between the Company and Lumos Investment Holdings, Ltd.
- A majority of the directors shall be independent within the meaning of the independence standards of The Nasdaq Stock Market, Inc. (“Nasdaq”) within the time requirements established by Nasdaq, all as determined by the Board of Directors. The Independence Determination Guidelines attached to these guidelines as Appendix A have been established to assist the Board of Directors in making these independence determinations.
- When an independent director no longer holds the principal position that he or she held when first elected to the Board of Directors, he or she is expected to notify the Chairman of the Nominating and Governance Committee for consideration by that Committee and offer to voluntarily resign from the Board of Directors. The Nominating and Governance Committee shall make a recommendation to the Board of Directors regarding the director’s continued service on the Board.

- In considering the composition of the Board of Directors, diversity of backgrounds and expertise should be emphasized and the Nominating and Governance Committee shall consider the average tenure of the entire Board of Directors. In addition, the Nominating and Governance Committee shall take into account the independence classification of each director under the Institutional Shareholder Services Inc. U.S. Proxy Voting Guidelines.
- Additionally, it is generally expected that the Nominating and Governance Committee and the Board will not nominate a director who would reach the age of 72 by the date of the annual meeting at which he or she would otherwise be elected. The Board may waive this policy if it believes such a waiver to be in the best interests of the Company.
- A director who serves as a chief executive officer of a publicly-traded company will not serve on more than three public company boards (including his or her own company's board) without the Nominating and Governance Committee approving such service.
- A director who does not serve as a chief executive officer of a publicly-traded company will not serve on more than five public company boards without the Nominating and Governance Committee approving such service.
- The current policy of the Board of Directors is to have a Chairman of the Board who is an independent director. The Board of Directors may revisit this policy from time to time. The responsibilities of the Chairman of the Board include:
 - preside at all meetings of the Board, including executive sessions of the independent directors;
 - serve as liaison between the Chief Executive Officer and the independent directors;
 - provide advice and counsel to the Chief Executive Officer on Board meeting schedules and possible meeting agenda topics;
 - have the authority to call meetings of the independent directors;
 - provide input to the Compensation Committee regarding the Chief Executive Officer's performance and meet, together with the Chairperson of the Compensation Committee, with the Chief Executive Officer to discuss the evaluation of the Chief Executive Officer;
 - provide input to the Nominating and Governance Committee regarding the appointment of the Chairpersons and members of the Audit Committee, the Compensation Committee and the Nominating and Governance Committee;

- have authority to retain advisors and consultants at the request of the independent directors; and
- perform such other duties and responsibilities as may be delegated to the Chairman of the Board by the Board from time to time.

IV. Meetings

- Meetings

The Board of Directors shall have an annual meeting as soon as practicable after the adjournment of the annual meeting of stockholders. Other meetings of the Board of Directors shall be held at times fixed by resolution of the Board, or upon call of the Chairman of the Board, the Chief Executive Officer or a majority of the directors.

- Attendance

1. Directors are expected to attempt to attend all meetings of the Board of Directors and the Board committees on which they serve, to ask questions and engage in discussion, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities.
2. Directors are also strongly encouraged to attend each annual meeting of the Company's stockholders.
3. Attendance at fewer than 75 percent of the aggregate of (x) the total number of meetings of the Board of Directors (held during the period for which a director has been a director) and (y) the total number of meetings held by all Board committees on which such director served (during the periods that such director served) shall be discussed with the Chairman of the Board to determine if excessive time conflicts are likely to continue.

- The independent directors shall meet as a group in executive session at least two times a year. The Chairman of the Board shall chair these sessions. The independent directors have the authority to retain outside counsel and advisors.
- Meeting materials shall be delivered to each director in sufficient time in advance of each regular meeting of the Board of Directors to permit a thorough review.

V. Responsibilities of the Board of Directors and Committees

- Approve major corporate decisions and oversee, develop and implement Board policies.

- Review and, where appropriate, approve the Company's major financial objectives and strategic and operating plans and activities.
- Through the Audit Committee, periodically review (at least annually) the Company's legal compliance programs and procedures.
- Monitor and assess performance and ask appropriate questions of management to address accountability with established goals.
- Stay well informed regarding the Company's businesses.
- Be a partner with the Chief Executive Officer on strategic issues by advising and consulting.
- Through the Audit Committee, oversee the Company's disclosure controls and procedures and internal controls over financial reporting.
- Oversee the Company's program for identifying, evaluating and controlling significant risks.
- Be willing to be proactive in crisis situations.
- Review and approve major capital allocation recommendations of management.
- Oversee financial statements through the Audit Committee.
- Assume responsibility for the selection, retention and replacement of the Chief Executive Officer.
- Review, evaluate the performance of, and approve compensation of executive officers through the Compensation Committee.
- Establish proper governance, which includes a periodic review of the Corporate Governance Guidelines by the Board of Directors; the consideration of the Board of Directors, or at the request of the Board of Directors, by the Nominating and Governance Committee of other corporate governance issues and related matters; and any resulting recommendation by such Committee to the Board of Directors.
- Recruit effective new members through the Nominating and Governance Committee.
- The Board shall have three standing committees: (i) Audit, (ii) Compensation and (iii) Nominating and Governance. The responsibilities of the three committees are set forth in the Bylaws and in the committee charters. Each Committee will have a written charter that will be reviewed annually.

VI. Director Compensation and Ownership of Capital Stock

- Non-employee directors shall receive reasonable annual compensation, which may take the form of an annual retainer, an annual stock grant, an award of stock options and/or a fee for attendance at any Board of Directors or Committee meeting. The annual compensation shall be recommended by the Compensation Committee and reviewed and approved annually by the Board of Directors.
- Board members are encouraged to own the Company's common stock.

VII. Director Orientation

- The Chief Executive Officer shall have responsibility for developing an orientation program for each new director, and an ongoing education program for all directors.

VIII. Board Contacts and Access

- Board members shall have access to the Company's management at all times. Directors are expected to consider whether the results of any contact with a member of management other than the Chief Executive Officer should be reported to the Chief Executive Officer.
- Dealings with the press and with investors generally should be the sole province of the Chief Executive Officer and his designees. From time to time the Chief Executive Officer may request director participation.

IX. Stockholders Access to Directors

- **Stockholder Communications.** Stockholders may communicate with the Board of Directors as a group and individual directors by sending written correspondence to the Chairperson of the Nominating and Governance Committee at the following address: Lumos Networks Corp., 401 Spring Lane Plaza, Waynesboro, Virginia 22980, Attention: Corporate Secretary.
- **Process for Collecting and Organizing Stockholder Communications.** The Chairperson of the Nominating and Governance Committee and his or her duly authorized agents shall be responsible for collecting and organizing stockholder communications. Absent a conflict of interest, the Chairperson of the Nominating and Governance Committee is responsible for evaluating the materiality of each stockholder communication and determining whether further distribution is appropriate, and, if so, whether to (i) the full Board, (ii) one or more Board members and/or (iii) other individuals or entities.

X. Board Performance Review

- The Board of Directors shall conduct an annual review of its performance, reflecting on whether the Board could have done a better job, *i.e.*, lessons learned and improvements needed by the group and, if appropriate, by individual directors.

XI. Chief Executive Officer Performance Review

- Provide for regular oral communication from the Board members to the Chief Executive Officer regarding concerns, suggestions, needs and expectations; written communication will be provided to the Chief Executive Officer upon the request of the Board.
- The Compensation Committee, together with the Chairman of the Board, shall provide an annual review of the Chief Executive Officer's performance.

XII. Chief Executive Officer Succession

- Chief Executive Officer succession planning process should include a regular (at least annual) Board review. Any review of possible internal candidates should include:
 1. readiness and potential;
 2. demonstrated skills and competencies;
 3. needed experience and training to fill gaps; and
 4. a plan for adequate exposure to the Board of Directors.

XIII. Policy With Respect to Failing to Achieve Majority "For" Votes in an Uncontested Election

Any nominee for director in an uncontested election (*i.e.*, an election where the number of nominees is not greater than the number of directors to be elected) who receives a greater number of votes "against" from his or her election than votes "for" such election shall, promptly following certification of the stockholder vote, tender his or her resignation to the Board for consideration in accordance with the following procedures, all of which procedures shall be completed within 90 days following certification of the stockholder vote:

- The Committee (as defined below) shall evaluate the best interests of the Company and its stockholders and shall recommend to the Board the action to be taken with respect to such tendered resignation (which recommendation could consist of, without limitation, accepting the resignation, rejecting the resignation and maintaining the director, rejecting the resignation and maintaining the director but addressing what the Committee believes to be the

underlying cause of the against votes, or rejecting the resignation but resolving that the director will not be re-nominated in the future for election). In reaching its recommendation, the Committee shall consider all factors it deems relevant, including, without limitation, the stated reasons why stockholders voted “against” election of such director, the length of service and qualifications of the director whose resignation has been tendered, the director’s contributions to the Company, and the Company’s Corporate Governance Guidelines. If a resignation is accepted by the Committee, the Committee will recommend to the Board whether to fill the resulting vacancy or reduce the size of the Board.

- The Board shall act on the Committee’s recommendation. In acting on the Committee’s recommendation, the Board will consider all of the factors considered by the Committee and such additional factors as it deems relevant.
- Following the Board’s determination, the Company shall promptly publicly disclose in a document furnished or filed with the SEC the Board’s decision of whether or not to accept the resignation and an explanation of how the decision was reached, including, if applicable, the reasons for rejecting the resignation.
- A director who is required to tender his or her resignation in accordance with this policy shall not be present during deliberations or voting of the Committee or the Board regarding whether to accept his or her resignation or, except as otherwise provided below, a resignation tendered by any other director in accordance with this policy. Prior to voting, the Committee and the Board will afford the affected director an opportunity to provide the Committee or the Board with any information that he or she deems relevant.
- For purposes of this policy, the term “Committee” means (i) the Nominating and Governance Committee, provided such committee then consists of at least three directors, each of whom is an independent director and none of whom is a director who is required to tender his or her resignation in accordance with this policy, or (ii) if clause (i) is not satisfied, a committee of at least three directors designated by the Board, each of the members of which is an independent director and none of the members of which is a director who is required to tender his or her resignation in accordance with this policy. However, if there are fewer than three independent directors then serving on the Board who are not required to tender their resignations in accordance with this policy, then the Committee shall be comprised of all of the independent directors and each independent director who is required to tender his or her resignation in accordance with this policy shall recuse himself or herself from the Committee and Board’s deliberations and voting with respect to his or her individual resignation.
- The foregoing procedures will be summarized and disclosed each year in the proxy statement for the Company’s annual meeting of stockholders.

XIV. Confidentiality Policy

Pursuant to their fiduciary duties of loyalty and care, members of the Board of Directors are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board to disclose such information. Accordingly,

- (i) no director shall use Confidential Information (as defined below) for his or her own personal benefit or to benefit persons or entities outside the Company; and
- (ii) no director shall disclose Confidential Information (as defined below) outside the Company, including to principals or employees of any business entity that employs the director or that has sponsored the director's election to the Board, either during or after his or her service as a director of the Company, except with authorization of the Board or as may be otherwise required by law.

“Confidential Information” is all non-public information entrusted to or obtained by a director by reason of his or her position as a director of the Company. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed, such as:

- non-public information about the Company's financial condition, accounting, cost information, prospects, plans or strategies, marketing and sales programs and research and development;
- non-public information relating to mergers and acquisitions, stock splits and divestitures;
- non-public information about the Company's customers, suppliers, contractors or joint venture partners, including non-public information regarding contractual arrangements between or among the Company and any of the foregoing parties, which the Company is under an obligation to maintain as confidential; and
- non-public information about board meetings, deliberations or discussions among or between directors, Company employees or agents, or relating to Board dynamics generally.

A director immediately will give notice to the Company of any unauthorized use or disclosure of Confidential Information and shall assist the Company in remedying any such unauthorized use or disclosure.

Directors should also refer to the Company's Policy for Compliance with SEC Regulation FD, which provides that only the Company's Chief Executive Officer, Chief Financial Officer and Vice President of Investor Relations are authorized to communicate with investors on behalf of the Company.

APPENDIX A

Independence Determination Guidelines

“Independent Director” means a person other than an executive officer or employee of Lumos Networks Corp. (“Lumos Networks”) or its subsidiaries or any other individual having a relationship which, in the opinion of Lumos Networks’ Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The following persons shall not be considered independent:

- (a) a director who is, or at any time during the past three years was, employed by Lumos Networks or by any parent or subsidiary of Lumos Networks;
- (b) a director who accepted or who has a Family Member who accepted any compensation from Lumos Networks or any parent or subsidiary of Lumos Networks in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:
 - (i) compensation for board or board committee service;
 - (ii) compensation paid to a Family Member who is an employee (other than an executive officer) of Lumos Networks or a parent or subsidiary of Lumos Networks; or
 - (iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

Provided, however, that in addition to the requirements contained in this paragraph (b), audit committee members are also subject to additional, more stringent requirements under Rule 5605(c)(2) of The Nasdaq Stock Market.

- (c) a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by Lumos Networks or by any parent or subsidiary of Lumos Networks as an executive officer;
- (d) a director who is, or has a Family Member who is, a partner in, or a controlling stockholder or an executive officer of, any organization to which Lumos Networks made, or from which Lumos Networks received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:
 - (i) payments arising solely from investments in Lumos Networks’ securities; or
 - (ii) payments under non-discretionary charitable contribution matching programs.
- (e) a director of Lumos Networks who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of Lumos Networks serve on the compensation committee of such other entity; or

- (f) a director who is, or has a Family Member who is, a current partner of Lumos Networks' outside auditor, or was a partner or employee of Lumos Networks' outside auditor who worked on Lumos Networks' audit at any time during any of the past three years.

A "Family Member" is a person's spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person's home. "Marriage" captures relationships that arise as a result of marriage, such as in-law relationships.