

tw telecom inc.

CORPORATE GOVERNANCE GUIDELINES

Adopted by the Board of Directors on September 7, 2011

The Board of Directors of tw telecom inc. has adopted the following corporate governance guidelines reflecting the current governance practices of the Board upon the recommendation of its Nominating and Governance Committee. The guidelines, in conjunction with the Certificate of Incorporation, Bylaws and the charters of the committees of the Board, form the framework for the Company's governance. These guidelines reflect the Board's commitment to ensuring its effectiveness and desire to enhance shareholder value over the long-term. The Board has also previously adopted Guidelines for Directors that provide guidance to directors with respect to various matters encountered by directors of public companies, including conflicts of interest, corporate opportunities, fair dealing with third parties, securities trading and confidentiality.

The Board will periodically review these guidelines in light of ongoing developments and the Company's needs to determine whether future refinement or changes are advisable in order to achieve these objectives.

1. Director Composition and Qualifications

- (A) **Independence.** A majority of directors will meet the criteria for independence required by the Nasdaq Stock Exchange, at a minimum. The Board may consider other criteria that it believes to have a bearing on a director's ability to exercise independent judgment. The Nominating and Governance Committee reviews the independence of incumbent directors and newly nominated directors annually in connection with the nomination process.
- (B) **Board size.** The Company's bylaws provide that the size of the Board will be not less than three directors and will be set by resolution of the Board. The Nominating and Governance Committee will review the size and composition of the Board and make recommendations regarding the appropriate size of the Board considering, among other factors, the Company's needs and efficient Board operation.
- (C) **Board leadership structure and processes.** The Nominating and Governance Committee will review the Board leadership structure and processes periodically and provide recommendations to the Board.
- (D) **Change in status.** When a director's principal occupation or business association changes substantially during his or her tenure as a director, that director will advise the Nominating and Governance Committee. The

Nominating and Governance Committee will review the continued appropriateness of Board membership under the new circumstances and recommend action to the Board, if any is deemed appropriate.

- (E) **Other board service.** Directors shall advise the Chairman of the Board and the Chairman of the Nominating and Governance Committee in advance of accepting an invitation to serve on another public company board so that the Board may determine whether such simultaneous service would impair the director's ability to serve effectively on the Company's board.
- (F) **Retirement and term limits.** The Company has not established a mandatory retirement age for directors or term limits, based on the belief that the appropriate age for retirement and length of service may differ based on individual circumstances and Company needs.
- (G) **Qualifications.** The Nominating and Governance Committee believes that all persons nominated to serve as a director should possess the following minimum qualifications:
- The highest personal and professional ethics and integrity,
 - Sound business judgment,
 - The absence of conflicts of interest that would impair the individual's ability to exercise independent judgment and otherwise discharge his or her fiduciary obligations,
 - Sufficient time to devote to their responsibilities as a Board member,
 - Requisite knowledge, skills and experience to understand our business, and
 - Ability to meet NASDAQ and other requirements with respect to independence and financial literacy.

Other qualifications that the Committee considers include:

- Significant senior management or leadership experience, including public company experience,
- Industry experience,
- Strategic vision, and
- Diversity in perspective.

The Company believes that it is important for the Board to operate in a cooperative and collegial atmosphere, which facilitates open and candid discussion, and the Nominating and Governance Committee will consider whether candidates will promote that value. In considering a candidate, the Nominating and Governance Committee will consider the current composition and expertise of the serving members and whether the candidate's additional expertise would be beneficial. The Committee considers diversity in perspective as well as race, gender and ethnicity in evaluating candidates.

- (H) **Director Selection Process.** The Nominating and Governance Committee assembles relevant information regarding potential nominees and designates one or more members of the Board to interview candidates who it believes meet the minimum qualifications. The Nominating and Governance Committee solicits recommendations for nominees from persons that the Committee believes are likely to be familiar with qualified candidates, including other Board members. The Committee may also engage a search firm to identify qualified candidates. The final approval of all candidates must be provided by the Board.

2. **Director Compensation**

The Compensation Committee will recommend the form and amount of director compensation to the Board in accordance with its compensation philosophy. The Compensation Committee's review may be conducted with the assistance of management or outside consultants if desired. This review may consider board compensation practices of other public companies, including the Company's peer group, service as committee chairs and other appropriate factors.

3. **Board Meetings**

- (A) The Board will continue its practice of holding an executive session at every regularly scheduled Board meeting, and may hold executive sessions either in person or by conference telephone at other times upon the request of at least two of the independent directors. It is understood that, in conjunction with such executive sessions, the Chairman and CEO has not participated and will not participate unless invited to do so by the independent directors.
- (B) Any independent director may submit agenda items for regular or special executive sessions to the Nominating and Governance Committee for communication to all independent directors. The committee chair with jurisdiction over the subject matter to be discussed will lead the discussion of the matter at executive session, and if the subject does not fall within the jurisdiction of any committee, the director submitting the agenda item will lead the discussion of the matter at executive session

- (C) When appropriate, the Board will designate one of the executive session attendees to debrief the Chairman of the Board and appropriate senior management personnel on the general nature of the discussions of the Board in executive session, convey to them any requests for information or follow up action and review the executive session discussions with the absent independent directors.
- (D) Agendas for regular meetings will generally follow the Board of Directors Calendar approved by the Board for the current year, with such additional agenda items as the Chairman may suggest, and any additional topics submitted to the Chairman for consideration by any independent director. Nothing in this policy is intended to preclude changes in the scheduling of items on the Board Calendar as may be appropriate to accommodate business needs.

4. Stockholder Communications

The Board has established a stockholder email box so that stockholders may communicate with non-management directors as a whole or any director individually. The VP-Internal Audit and the Deputy General Counsel monitor this shareholder communication mechanism, forward communications to the appropriate committee(s) or director(s) and facilitate an appropriate response. All stockholder communication mechanisms are disclosed in the annual proxy statement.

5. Board Committees

- (A) The Board has established three standing committees: an Audit Committee; a Compensation Committee; and a Nominating and Governance Committee. The functions of these Committees are set forth in Committee Charters approved by the Board. The Board may establish additional committees on a temporary or permanent basis as needed.
- (B) All of the members of the Audit, Compensation and Nominating and Governance Committees will be independent under the criteria established by the Nasdaq Stock Market rules and applicable laws. Furthermore, the Audit Committee members shall have the expertise and experience required by the Securities and Exchange Commission and Nasdaq Stock Market Rules.
- (C) Committee members will be appointed annually or existing committee assignments confirmed by the Board upon recommendation of the Nominating and Governance Committee. The Nominating and Governance Committee will review the Company's committee structure periodically and may recommend that the Board establish additional committees or disband committees as necessary or appropriate.

- (D) Each standing committee will have its own charter that will be posted on the Company's website. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership. Each committee will review its charter periodically in light of changing legal requirements and Company needs.
- (E) Each committee has the power to hire, determine terms and authorize the Company to pay the fees of independent legal, financial or other advisors as they deem necessary to fulfill such committee's responsibilities.

6. Director Access to Officers, Employees and Advisors

Directors have full access to officers and employees of the Company as well as the Company's outside advisors.

7. Self-evaluation

The Board will conduct a self-evaluation of its performance and the performance of its committees at least annually.

8. Director Orientation and Continuing Education

- (A) All new directors must participate in the Company's orientation process. This orientation will include meetings with or presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its governance guidelines, its Code of Conduct, its principal officers, and its internal audit structure and independent auditors.
- (B) The Company's internal and external counsel regularly provide presentations, updates and information on subjects and new developments of interest to Board members and management provides industry, product and other background information and presentations to further the Board's understanding of the Company's industry and operations. Directors may request that the Company conduct such educational programs for directors as they deem desirable in order to fulfill their duties as directors.
- (C) The Company's Director Education Policy provides opportunities for directors to attend external director education programs.

9. Succession

The Board will review the Company's senior executive succession plans annually. The CEO should provide recommendations and evaluations of potential CEO successors as well as for other members of senior management, along with a review of any development plans recommended for such individuals.