

Corporate Governance Guidelines

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Cincinnati Bell Inc. Corporate Governance Guidelines

1. Board Composition

1.1 Separation of Positions of Chairman and CEO

The Board's general policy, based on experience, is that the positions of Chairman of the Board and Chief Executive Officer should be held by separate persons as an aid in the Board's oversight of Management.

1.2 Size of the Board

The Board currently has 9 members. The Company's regulations permit the Board to vary in size from 9 to 17. The Governance and Nominating Committee periodically reviews the size of the Board, which may vary to meet the needs of the Company and the availability of suitable candidates.

1.3 Mix of Inside and Independent Directors

The Board believes that there should be no more than two non-independent directors on the Board at any given time. The Board also believes that it is useful and appropriate to have the Company's Chief Executive Officer serve as a Director.

1.4 Board Membership Criteria

The Governance and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of individual Board members, as well as the composition of the Board as a whole, in the context of the needs of the Company. The Governance and Nominating Committee will review all nominees for director in accordance with its charter and selection criteria and select those nominees whose attributes it believes would be most beneficial to the Company. This assessment will include such issues as experience, integrity, competence, diversity, sound business judgment and dedication in the context of the needs of the Board.

1.5 Annual Election of Board Members

On April 25, 2008, the Company's shareholders approved a proposal to de-classify the Board and elect all directors on an annual basis instead. Under the proposal approved by shareholders, this new annual election procedure will be implemented on a rolling basis (i.e., as the directors' respective terms expire), beginning with the 2009 annual meeting of shareholders.

1.6 Majority Vote Standard for the Election of Directors

On April 25, 2008, the Company's shareholders approved a proposal to amend the Company's Articles of Incorporation to implement a majority vote standard for the election of directors. Accordingly, beginning with the 2009 annual meeting of shareholders, all directors nominated for election to the board (in an uncontested election) must receive a majority of the votes cast in order to be elected to the board. In contested elections where the number of nominees exceeds the number of directors to be elected, the vote standard would continue to be a plurality of the votes cast.

1.7 Selection of New Director Candidates

The Governance and Nominating Committee, with the input of the Chief Executive Officer, is responsible for recommending to the Board nominees to fill Board vacancies or newly created Board positions, as well as recommending the slate of persons to be nominated for election at the Company's annual shareholder meeting. The Governance and Nominating Committee will consider shareholder recommendations sent to the Corporate Secretary at 201 East Fourth Street, Suite 102-715, Cincinnati, Ohio 45202. The deadline for submission of shareholder recommendations is 120 calendar days before the first anniversary date of the Company's proxy statement released to shareholders in connection with the previous year's annual meeting.

2. Director Independence and Qualifications

2.1 Independence

A majority of the Company's Directors shall meet the New York Stock Exchange listing standards for independence. In addition, all of the members of the Governance and Nominating Committee, Audit and Finance Committee, and Compensation Committee shall be independent.

2.2 Qualifications

The Company's Directors should be ethical individuals of proven judgment and competence with professional experience and skills that are complimentary to the needs of the Company. Directors should also have demonstrated the ability to exercise sound business judgment and independence, and be willing to devote sufficient time to fulfill their responsibilities to the Company and its shareholders.

2.3 Service on Other Boards

The Board does not believe that its members should be prohibited from serving on the boards of other companies so long as those commitments do not create material actual or potential conflicts and do not interfere with each Director's ability to fulfill his or her duties as a member of the Company's Board. The Governance and Nominating Committee will take into account the nature and time involved in the Director's service on other boards in assessing director nominees. Directors should advise the Chairman of the Board, the Chairman of the Governance and Nominating Committee and the Corporate Secretary in advance of accepting an invitation to serve on the board of another public company.

2.4 Term Limits

The Board does not believe it should establish term limits for the Company's Directors. While term limits could help to ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who over time have developed increasing insight into the Company and its operations and therefore provide an increasing contribution to the Board.

3. Director Responsibilities

3.1 Role of the Board

The primary purpose of the Board is to provide oversight and strategic guidance to senior management. The core responsibility of each Director is to exercise his or her fiduciary duty to act in the best interest of the Company and its shareholders.

3.2 Preparation for and Attendance of Meetings

Directors are expected to rigorously prepare for, attend and participate in all Board meetings, including the Company's annual shareholder meeting and all applicable Committee meetings. Each Director is expected to ensure that other existing and planned future commitments do not materially interfere with his or her service on the Company's Board.

3.3 Compliance with Code of Ethics

All Directors shall at all times exhibit the highest standards of integrity and ethical behavior and adhere to the Company's Code of Ethics for Directors.

3.4 Conflicts of Interest

Directors shall promptly notify the Chairman of the Governance and Nominating Committee and the Company's General Counsel if any actual or potential conflict of interest arises between the Director and the Company. If a significant conflict exists and cannot be resolved, the Director will be required to resign. In addition, Directors are required to recuse themselves from any Board discussion or decision affecting their personal, business or professional interests. The Governance and Nominating Committee will consider, and the Board will resolve, any conflicts of interest or code of ethics questions concerning Directors or senior management.

3.5 Corporate Opportunities

The Company's Code of Ethics for Directors prohibits Directors from taking advantage of an opportunity to engage in a business activity that properly belongs to the Company, including any activity that is discovered as a result of the use of Company information or property or in connection with a Director's service on the Board. In addition, Directors are prohibited from using Company information, property or their positions on the Board for personal gain.

3.6 Prompt Disclosure of Any Change in Affiliation

Directors are expected to report to the Chairman of the Board and the Chairman of the Governance and Nominating Committee when they experience a significant change in their business or professional affiliation or responsibility and offer to resign from the Board. The Governance and Nominating Committee, in consultation with the Chairman of the Board, will determine whether the Director continues to adequately meet the requirements for service on the Board and whether or not to accept the resignation.

4. Board and Committee Meetings

4.1 Regular Meetings

The Board generally has eight regularly scheduled meetings per year, on dates selected by the Chairman of the Board. Directors will be given as much advance notice of these meeting dates as reasonably practicable.

4.2 Special Meetings

Recognizing that situations arise requiring prompt Board action, Directors are also required to make themselves available for special meetings and promptly return documents requiring their signature. Directors shall receive prompt notification of such special meetings.

4.3 Agenda

The Chairman of the Board, in consultation with the Chief Executive Officer and other Board members, shall set the agenda for meetings of the full Board. Similarly, the applicable Chairman of each Board Committee, in consultation with the Chief Executive Officer and other applicable Committee members, shall set the agenda for Committee meetings. Directors and Committee members may suggest agenda items and may raise other matters at meetings..

4.4 Executive Sessions

The Company's independent Directors generally meet in executive session at each regularly scheduled Board meeting and may hold such additional executive sessions as they determine necessary or appropriate. The Chairman of the Board shall preside at these executive sessions.

4.5 Materials Distributed in Advance

Information that is important to the Board's understanding of the Company's business and any meeting agenda items will be distributed in writing to the Board before the Board meets. Supplemental written materials will be provided to the Board on a periodic basis and at any time upon request of Board members. Sensitive or privileged subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

5. Board Committees

5.1 Executive Committee

The Board has an Executive Committee of at least three members with the power to act on behalf of the full Board, except in matters reserved to the full Board pursuant to Ohio law or the Company's regulations. The Chairman of the Board shall serve as the Chairman of the Executive Committee. A majority of the members of the Executive Committee shall be independent.

5.2 Governance and Nominating Committee

The Board has a Governance and Nominating Committee of at least three members. All members of this Committee shall be independent. The primary functions of the Governance and Nominating Committee are to establish and maintain the Company's corporate governance policies and practices and manage the Board's size and composition. The Committee shall operate in accordance with applicable law, its charter, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange.

5.3 Audit and Finance Committee

The Board has an Audit and Finance Committee of at least three members. All members of this Committee shall be financially literate and shall meet all applicable independence standards required by the SEC and NYSE. The primary functions of the Audit and Finance Committee are to assist the Board in its oversight of: (1) the integrity of the financial statements of the Company, (2) the Company's compliance with legal and regulatory requirements, (3) the independence and qualifications of the independent auditor, and (4) the performance of the Company's internal audit function and independent auditors. The Committee is also responsible for reviewing with management the Company's annual capital and financing plans, as well as any significant financing transactions. The Committee shall operate in accordance with applicable law, its charter, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange.

5.4 Compensation Committee

The Board has a Compensation Committee of at least three members. All members of this Committee shall be independent. The primary functions of the Compensation Committee are to ensure that Directors and certain key executives are effectively compensated in terms of base compensation, short and long term incentive compensation and benefits that are competitive. The Compensation Committee is also responsible for evaluating the performance of the Chief Executive Officer and reviewing the succession planning process for Company management. The Committee shall operate in accordance with applicable law, its charter, and the applicable rules of the Securities and Exchange Commission and the New York Stock Exchange.

5.5 Other Committees

The Board may also establish such other committees as it deems appropriate and delegate to those committees

any authority permitted by applicable law and the Company's regulations.

6. Access to Management and Independent Advisors

6.1 Access to Employees/Management

Each Director shall have complete access to the Company's management team. The Company's management team will make itself available to answer questions from the Directors and respond promptly with any appropriate follow up. Board members are encouraged to make arrangements to visit Company facilities and engage in ongoing dialogue with the Company's management team. The Corporate Secretary shall, whenever requested, assist in arranging and facilitating such visits.

6.2 Access to Independent Advisors

The Board and each of the Board's Committees may engage and consult with financial, legal, or other independent advisors as they deem necessary or appropriate. The Company will bear the costs associated with any such engagements.

7. Director Orientation and Continuing Education

7.1 Director Orientation

The Chief Executive Officer, in conjunction with the Chairman of the Board and the Company's senior management team, are responsible for conducting appropriate orientation programs for new Directors. The orientation programs shall include presentations designed to familiarize new Directors with the Company and its strategic plans, its significant financial, accounting and risk management issues, the Company's Code of Business Conduct, compliance programs and other controls, its senior management team, and its internal and independent auditors. The orientation programs shall also address procedures of the Board, Director responsibilities, Committee charters, and these Corporate Governance Guidelines.

7.2 Continuing Education

The Chief Executive Officer, in conjunction with the Chairman of the Board and the Company's senior management team, are responsible for conducting, or making available, Director continuing education programs designed to assist Directors in developing and maintaining the skills necessary or appropriate for the performance of their responsibilities. These continuing education programs may include a mix of in-house and third-party presentations, guest speakers, etc. The Company will bear all expenses associated with making appropriate continuing education opportunities available to Board members.

7.3 Annual Strategic Planning Session

The Chief Executive Officer, in conjunction with the Chairman of the Board and the Company's senior management team, are responsible for facilitating an annual strategic planning session among the Board and the Company's senior management team. The strategic planning session should include presentations from senior management on the Company's short and long-term strategic initiatives.

8. CEO Evaluation and Succession Planning

8.1 Annual Evaluation of CEO

The Compensation Committee shall annually report to the full Board its evaluation of the Chief Executive Officer's performance. The Board shall review the Compensation Committee's report, including discussing it outside the presence of any members of the Company's management team, to satisfy itself that the Chief Executive Officer is providing the long-term and short-term leadership that the Board deems necessary.

8.2 CEO Succession Planning The Compensation Committee is responsible for taking all steps necessary to ensure that the Company at all times has an adequate succession plan in place for the CEO position.

8.3 Management Succession Planning

The Chief Executive Officer, in conjunction with the Company's senior management team, is responsible for taking all steps necessary to ensure that the Company at all times has a comprehensive, up-to-date succession planning process for management, including a plan for succession in the event of an emergency or the retirement of the Chief Executive Officer. The Chief Executive Officer will report to the Board on the succession planning process for management at the December Board meeting.

8.4 Management Development

In addition to reviewing the Company's succession planning process for management on an annual basis, Directors are expected to make themselves available to assist in the on-going professional development of the Company's senior management team. These management development initiatives will be coordinated and facilitated by the Chairman of the Board.

9. Director Compensation

9.1 Director Compensation and Benefits

The Compensation Committee periodically reviews Director compensation and benefits, and makes recommendations to the full Board for its consideration. The Compensation Committee bases its recommendations regarding Director compensation and benefits on a review of comparable companies, alignment with the interests of shareholders and the advice of independent advisers.

9.2 Indemnification of Directors and Officers

Directors and officers of the Company shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, and to receive the benefits of indemnification to the fullest extent permitted by law and the Company's regulations.

10. Communicating Concerns to the Board

Anyone having a concern about the Company's conduct, or about the Company's accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Audit and Finance Committee. Such communications may be confidential or anonymous, and may be reported via a special website for receiving such complaints or by calling a toll-free telephone number. The special website address and toll-free telephone number are published on the Company's website at www.cincinnatiatbell.com.

11. Annual Performance Evaluation of the Board

11.1 Annual Self-Evaluation of the Board

Each year, the Board will conduct a self-evaluation to determine whether it and its Committees are functioning effectively. The Governance and Nominating Committee shall be responsible for overseeing the evaluation process and presenting an evaluation report to the full Board. The full Board will discuss the evaluation report to determine what, if any, action could improve Board and/or Committee performance.

11.2 Annual Evaluation of Corporate Governance Guidelines

The Board recognizes that these Corporate Governance Guidelines must continue to evolve to meet the changing needs of the Company and its shareholders. The Board, with the assistance of the Governance and Nominating Committee, will review these Corporate Governance Guidelines on an annual basis to determine whether any changes are necessary or desirable.

Approved: 04/25/2008