

## **Shenandoah Telecommunications Company**

### **Policy Statement on Insider Trading**

#### **The Need for a Policy Statement**

The purchase or sale by any person while in the possession of material, nonpublic (“inside”) information or the selective disclosure of such information to others who may trade in securities is prohibited by federal and state laws. As an essential part of your work, many of you have access to material, nonpublic information about the Company or about the Company’s business, including information about other companies with which the Company does or may do business.

The Company has adopted this Policy Statement to avoid even the appearance of improper conduct on the part of any Company employee (not just so-called “insiders”). All Company employees have worked hard over the years to establish a reputation for integrity and ethical conduct. Compliance with this Policy Statement is an important part of each employee’s duty of good corporate citizenship. By adopting this Policy Statement, the Company does not intend to create legal liability that otherwise would not exist.

Any person who has any questions about the application of this Policy Statement is urged to consult the Company’s President, who is the Administrator of the Policy Statement, at telephone number 540-984-5250. Remember, however, that the ultimate responsibility for adhering to this Policy Statement and avoiding improper transactions rests with each director, officer and employee.

#### **Policy on Insider Trading**

No director, officer or other employee who has material, nonpublic information relating to the Company may (1) buy or sell securities of the Company, directly or indirectly, or (2) “tip” such information to others who may trade. This policy of “don’t trade and don’t tip” also applies to material, nonpublic information relating to any other company, including customers or suppliers of Shenandoah.

Even the appearance of an improper transaction must be avoided to preserve the Company’s reputation for adhering to the highest standards of conduct.

If material, nonpublic information is inadvertently disclosed, no matter what the circumstances, by any Company director, officer or employee, the person making or discovering that disclosure should immediately report the facts to the Administrator.

## **Liability and Sanctions for Violations of Policy**

Violations of the insider trading law will subject the violator to severe civil and criminal claims and penalties. If you or anyone in your household buys or sells securities while you are in possession of material, nonpublic information, you may be subject to (1) civil penalties equal to 3 times the profits you gained or losses you avoided, (2) criminal money penalties of up to \$1 million and (3) a prison term of up to 10 years. In addition, if someone else purchases or sells securities on a “tip” from you based on material, nonpublic information, you may be subject to the same penalties, even if you received none of the benefit from the trades.

These penalties are not restricted to the persons actually engaging in insider trading or “tipping.” If an employee under your supervision engages in either of these activities, you may face the same monetary penalties discussed above (even if you received no benefit) if you knew or recklessly disregarded the fact that the employee was likely to violate the insider trading laws and you did nothing to prevent the violations. Civil and criminal penalties may also be assessed against the Company in such circumstances. These penalties could damage the Company’s financial condition and its reputation and status in the business community.

The Company believes that a violation of this Policy Statement is potentially so damaging to the Company that the appropriate sanction for the violation may include suspension or termination of the violator’s employment.

## **Definition of Material, Nonpublic Information**

This Policy Statement prohibits trading in securities while in the possession of information which is “material” and “nonpublic.”

“Material” information is any information that a reasonable investor would likely consider important in a decision to buy, hold or sell a security. **As a rule, material information about the Company is any information which could reasonably affect the price of the Company’s stock.** Common examples of information that will frequently be regarded as material are the following:

- actual earnings or losses, or projections of future earnings or losses
- major marketing changes
- proposals, plans or agreements (even if preliminary) involving mergers or acquisitions
- a significant sale of assets or the disposition of a subsidiary

- changes in dividend policy or the declaration of a stock split
- the planned sale of Shenandoah stock by the Company or a major shareholder
- significant changes in management
- significant new products or programs
- significant litigation or government investigations
- the gain or loss of a substantial customer or supplier

Information may be material whether its disclosure could affect the price of a security negatively or positively.

“Nonpublic” information is any information about Shenandoah or another company which has not been disclosed generally to the marketplace. All information that you learn about the Company or its business plans in connection with your employment is potentially “inside” information until publicly disclosed by the Company. You should not disclose such information to others, such as household members, other relatives, business or social acquaintances, who do not need to know the information for legitimate reasons. Information is considered to be public only when it is released in a manner making it available to investors generally (such as by means of a press release) and enough time has passed to permit the marketplace to absorb the previously nonpublic information (two business days in most circumstances).

You must be aware that, if your securities transactions become the subject of scrutiny, they will be viewed after the fact with the benefit of hindsight. As a result, before engaging in any securities transaction, you should carefully consider how regulators and others might later view that transaction. For example, if you are in doubt about whether particular nonpublic information is material, assume the information is material unless you seek and receive advice to the contrary from the Administrator.

### **Compliance Guidelines Applicable to All Employees**

To assist employees in complying with this Policy Statement, the following guidelines apply to market transactions by employees in Shenandoah stock and to the preservation of confidentiality of proprietary information about the Company.

*Trades During Window Periods.* The most appropriate period to buy or sell Shenandoah stock is the period beginning at least 48 hours following the Company’s release of its operating results for the prior quarter and ending on the

last day of the current quarter (the so-called “window period”). This period is the time during which there should be the least amount of inside information about the Company unavailable to the investing public. However, you may not buy or sell Shenandoah stock even during window periods if you are in possession of material information that has not yet been released to the marketplace.

Although the window periods are the preferred periods for trades in Shenandoah stock, they are not exclusive. If you are not subject to additional limitations that apply to directors, executive officers and certain other Shenandoah employees as described below, you may buy or sell Shenandoah stock outside of the window periods so long as you do not possess material, nonpublic information when you trade.

*Preservation of Confidentiality of Proprietary Information.* Employees should take a number of specific steps to protect the confidentiality of sensitive internal information.

- Keep confidential or sensitive materials appropriately concealed and securely stored, particularly when you are in areas accessible to the public, or when you are not on Shenandoah premises.
- Avoid conversations involving confidential or sensitive information in public places (such as elevators, airplanes, public transportation or restaurants) or at home. When such conversations are necessary, take all appropriate steps to prevent accidental disclosures.
- Do not respond to requests from the press, stock analysts or others for information concerning confidential or sensitive matters. Refer such inquiries to the Executive Vice President, Earle A. MacKenzie at the Company’s headquarters.
- Be aware that communications by mobile or cellular telephone or telecopy (“fax”) machines are subject to unintended breaches of confidence. When communicating by mobile or cellular phone or sending (or receiving) a fax to an unmonitored machine (for example at a hotel or other public location), omit or alter information which could result in the disclosure of confidential or sensitive matters.

### **Compliance Procedures for Directors, Executive Officers and Other Designated Employees**

Directors, executive officers and certain other employees of the Company designated in writing by the Administrator (“Designated Employees”) frequently acquire confidential information about the Company that may be considered material as defined in this Policy Statement. Accordingly, these persons must

comply with the following procedures applicable to trades in Shenandoah common stock and must certify their compliance with this Policy Statement.

*Advance Notification.* Before engaging in any transaction in Shenandoah common stock, or options or other related derivative securities, each director, executive officer and Designated Employee should contact the Administrator, who will review the proposed transaction to ensure it complies with this Policy Statement. If the Administrator plans to engage in any transaction in Shenandoah common stock, options or other related derivative securities, the Administrator should contact the Chairman of the Nominating and Corporate Governance Committee who will review the proposed transaction to ensure it complies with this policy statement.

*Timing Restrictions on Trades in Shenandoah Common Stock.* Any director, executive officer or Designated Employee may buy or sell Shenandoah common stock, or engage in market transactions involving options or other related derivative securities, in any quarter only during the period beginning at least 48 hours after Shenandoah issues its earnings release for the prior quarter and ending on the last day of the current quarter. For example, if Shenandoah issues an earnings release for the June 30 quarter after the close of market on July 18, a director, executive officer or Designated Employee may buy or sell Shenandoah common stock during the period beginning at the opening of market on July 21 and ending on September 30. Trading prohibitions and restrictions of this policy apply to all sales of securities acquired through the exercise of stock options granted by the Company, but not to the acquisition of securities through such exercises. Timing restrictions may be waived by the Administrator in individual cases upon a showing of hardship or other circumstances warranting a waiver or, if such a waiver is sought by the Administrator, the Chairman of the Nominating and Corporate Governance Committee will consider and rule on the waiver request.

*Written Trading Plans.* Notwithstanding the foregoing prohibitions in this Policy Statement, any director, executive officer or Designated Employee may buy or sell Shenandoah common stock, or engage in market transactions involving options or other related derivative securities, while in possession of material, nonpublic information about the Company or outside of the specified window periods if any such transaction is made pursuant to a written plan. The written plan must be approved in advance in writing by the Administrator and either the Executive Vice President or the General Counsel and must meet all of the requirements specified by the Administrator and either the Executive Vice President or the General Counsel and applicable Securities and Exchange Commission rules and regulations, including Rule 10b5-1 under the Securities Exchange Act of 1934. If the Administrator submits a written plan, it must be approved in advance by the Chairman of the Nominating and Corporate Governance Committee and either the Executive Vice President or the General Counsel.

*Margin Accounts and Pledges.* Shenandoah common stock held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, Shenandoah common stock pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A margin sale or foreclosure sale may occur at a time when the pledger is aware of Material Nonpublic Information or otherwise is not permitted to trade in Company securities pursuant to Blackout Period restrictions. In order to avoid circumstances where Shenandoah common stock is sold at inappropriate times such as those outlined above as well as to avoid forced sales of Shenandoah common stock that might impact the market price of Shenandoah common stock, directors, officers and Designated Employees are prohibited from pledging Shenandoah common stock for margin accounts or as collateral for loans. An exception to this prohibition may be granted where the director, officer or Designated Employee wishes to pledge Shenandoah common stock as collateral for a loan (not including margin debt) and obtains approval from the Nominating and Corporate Governance Committee ("the Committee"). The Committee will consider various factors in determining whether to make an exception to the above policy including the financial capacity of the director, officer or Designated Employee to repay the loan; if he or she has other collateral available to ensure the loan can remain secured without resort to the sale of the pledged securities; the number of shares pledged and what impact the forced sale of said shares might have on the market price of Shenandoah common stock; and, any other relevant factors the Committee may deem appropriate. Any director, officer or Designated Employee proposing to pledge Shenandoah common stock as collateral for a loan must submit a request for approval to the Committee at least thirty (30) days prior to the proposed execution of documents evidencing the proposed pledge. Any pledge of Shenandoah common stock by a director, officer or Designated Employee of the Company in effect prior to the effectiveness of this provision will be submitted to the Committee for consideration at its next scheduled meeting following the effective date of this provision.

*Hedging Transactions.* No director, officer or Designated Employee of the Company or its subsidiaries may engage in any transaction if he or she is no longer exposed to the full risks of stock ownership. The Company believes that if a director, officer or Designated Employee of the Company or its subsidiaries are permitted to purchase hedging instruments that protect against downward changes in Shenandoah's common stock price, they may no longer have the same objectives as the Company's other stockholders because they are no longer subject to the full risks of stock ownership. Prohibited hedging transactions include, but are not limited to, collars, forward sale contracts, trading in publicly-traded options, puts, calls or other derivative instruments related to Shenandoah common stock or debt.

*Annual Compliance Certification.* Each director, executive officer and Designated Employee will be required to certify annually to the Administrator that he or she has re-read this Policy Statement and will comply with its provisions.

*Effective Date: February 17, 2016*