

**Board of Directors**  
**Audit Committee Charter**

**Preamble**

The Board of Directors (the “Board”) of Commonwealth Telephone Enterprises, Inc. (the “Company”) does hereby establish this Charter of the Audit Committee of the Company (the “Committee”) with the following purposes in mind: first, to assure all of its shareholders of their right to be informed of the financial affairs and condition of the Company in a fashion that is materially accurate, fair and free from distortions that would be materially misleading; and second, to provide for appropriate, independent and effective procedures on which shareholders may rely and have confidence in the information required to be put forth by the Company in all of its public filings and pronouncements.

Subject to the further enumeration set forth below, the authority of the Committee shall be to oversee all aspects of financial reporting and controls. Further, the Committee will continuously re-evaluate its processes and monitor developments in applicable laws, regulations, and corporate governance requirements and practices that may assist in the fulfillment of its responsibilities. In this regard, the Committee will annually review this charter and present recommended changes to the Board for its adoption.

The Committee must be an independent and vigorous overseer of the financial reporting process. The Committee shall have the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it shall have direct access to the Company’s management, independent auditors, internal auditors, as well as to anyone in the organization it deems necessary or desirable. The Committee is authorized to access any resources required to fulfill its responsibilities. The Committee shall retain independent legal, accounting or other advisors to the degree it deems appropriate or advisable and the Committee shall have sole responsibility for the retention of the independent auditors. Further, the Committee will have sole responsibility for the process of handling complaints regarding the Company’s accounting practices and financial controls. The Company shall fund all activities of the Committee.

In performing its duties, and in an objective and open manner, the Committee will keep the Board fully informed of its activities and findings.

**Membership**

The Committee will consist of three or more independent Directors, each of whom will be appointed to the Committee by the Board. The appointed Directors will be free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee. In particular, the members will not have any compensatory relationship with, or receive any form of compensation from, the Company other than as a Director or Committee member of the Board, and the members must also be deemed independent according to all applicable laws and regulations.

The Committee members will be financially literate and have the knowledge and experience required to fulfill their responsibilities.

The Board shall appoint a Chairperson and each member of the Committee; however, the Board may also designate the Committee to elect a Chairperson. At least one member,

preferably the Chairperson, will qualify as a financial expert as defined by applicable laws and regulations.

### **Meetings**

The Committee will meet as often as is required and necessary to accomplish its responsibilities. Minutes will be maintained at all of its meetings. Open communication is essential to the Committee; therefore, regularly scheduled periodic executive sessions will take place enabling the discussion of any matters that the Committee, independent auditors, internal auditors or management believe should be discussed privately.

### **Activities**

The Committee will undertake several activities in fulfilling its responsibilities. These activities will be established annually, and will be revised as necessary. These activities involve the following areas of responsibility: (i) oversight of the integrity of the financial reporting process of the Company, including any significant accounting or financial reporting matters, changes to accounting principles and practices, significant estimates and judgments, SEC filings, rating agency and external guidance, and earnings releases; (ii) oversight of the internal controls related to the financial reporting process and financial risk exposure; (iii) as related to financial reporting, oversight of the internal auditors' roles and responsibilities, the structured effectiveness of the internal auditing function, performance, findings and recommendations, including management's responses; (iv) hiring of the independent auditors, determination of their compensation, approval of non-audit services, evaluation of their scope of work and performance, and review of findings and recommendations including management's responses; and (v) performance of certain other responsibilities, including reviewing with management the steps taken to minimize business risks and exposures, and actions taken to monitor and control such exposures; reviewing the Company's compliance with applicable laws and regulations; approving all related party transactions and disclosures of such transactions; reviewing the Code of Ethical Conduct for Directors and Officers with respect to accounting, financial reporting and related internal control issues; and establishing and maintaining an orientation and continuing education program for its members. Further, the Committee will establish annual goals and objectives and evaluate itself against those goals and objectives.

It should be noted, however, that the responsibilities of the Committee are inclusive of, rather than limited to, the activities above. The overriding principle is that the Committee is to make such inquires and implement such procedures and establish such protocols as may be necessary to carry out the mandate of this Charter.