

Primus Telecommunications Group, Incorporated

CHARTER OF THE AUDIT COMMITTEE
OF
THE BOARD OF DIRECTORS

Adopted as of July 1, 2009

Purpose:

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Primus Telecommunications Group, Incorporated, a Delaware corporation (the “Company”), shall be to oversee the accounting and financial reporting processes of the Company and its subsidiaries and the audits of the financial statements of the Company and to provide an open venue of communication between the Company’s independent auditor, management, and the Board and discharge the responsibilities presented below.

Composition:

The Committee shall be comprised of two (2) or more members of the Board, as determined from time to time by the Board. Each member of the Committee shall be “independent” as defined by the rules of the Nasdaq Stock Market (or such securities exchange on which the Company’s securities are listed for trading) and free from any relationship (including disallowed compensatory arrangements) that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices and must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. The Board shall determine whether at least one member of the Committee qualifies as an “audit committee financial expert,” as defined by the Securities and Exchange Commission (the “SEC”). Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

Responsibilities:

The operation of the Committee will be subject to the Bylaws of the Company, as in effect from time to time, and Section 141 of the Delaware General Corporation Law. The Committee will have the full power and authority to carry out the following responsibilities:

General Continuous Activities:

1. Appoint, compensate, and oversee the work performed by any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such registered public accounting firm must report directly to the Committee. The registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Corporation’s Annual Report on Form 10-K is referred to herein as the

“independent auditor.” The Committee shall evaluate the engagement of the independent auditor on an annual basis.

2. Review and report to the Board regarding the performance of the independent auditor and remove the independent auditor if circumstances warrant. The Committee shall oversee the resolution of disagreements between management and the independent auditor in the event that they arise.
3. Confirm and assure the independence of the independent auditor and the objectivity of management. In particular, the Committee shall obtain and review from the independent auditor a formal written statement delineating all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard 1 and actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor.
4. Review and assure the coordination of the audit efforts, and the effective use of audit resources.
5. Inquire of management and the independent auditor about significant risks or exposures and assess the steps management has taken to minimize such risks or exposures.
6. Consider and review with the independent auditor and management:
 - The adequacy of the Company’s internal controls including computerized information system controls and security.
 - Related findings and recommendations of the independent auditor together with management’s responses.
 - Significant findings during the year, including the status of previous audit recommendations.
 - Any difficulties encountered in the course of audit work including any restrictions on the scope of activities or access to require information and management’s response.
7. Meet periodically with the independent auditor and management in separate executive sessions to discuss any matters the Committee or these groups believe should be discussed privately with the Committee.
8. Review and discuss with management the Company’s annual financial statements, quarterly financial statements, and all internal controls reports (or summaries thereof). Review other relevant reports or financial information submitted by the Company to any governmental body, or the public, including management certifications as required by Sections 302 and 906 of the Sarbanes-Oxley Act of 2002 and relevant reports rendered by the independent auditor (or summaries thereof). Discuss with management the independent auditor assessment of the quality of the Company’s accounting principles, the reasonableness of significant judgments and estimates (including material changes in estimates), any material audit adjustments proposed by the independent auditor and immaterial adjustments not recorded, the adequacy of the disclosures in the financial

statements and any other matters required to be communicated by the independent auditor under generally accepted auditing standards.

9. Review the regular internal reports (or summaries thereof) to management prepared by the internal auditing department and management's responses.
10. Obtain advice and assistance from outside legal, accounting, or other advisors as deemed appropriate to perform its duties and responsibilities.
11. Review and, in its sole discretion, approve in advance the Company's independent auditor's annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditor (which approval should be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee or by one or more members of the Committee as shall be designated by the chairperson of the Committee and the person[s] granting such approval shall report such approval to the Committee at the next scheduled meeting.
12. Report periodically to the Board on significant results of the foregoing activities.
13. Instruct the independent auditor that the Board is the auditor's client.

Specific Continuous Activities:

1. Advise financial management and the independent auditor that they are expected to provide a timely analysis of the Company's significant financial reporting issues and practices.
2. Provide that financial management and the independent auditor discuss with the Committee their qualitative judgments about appropriateness, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the American Institute of Certified Public Accountants ("Institute") and, particularly, about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates.
3. Inquire as to the auditor's independent qualitative judgments about appropriateness, not just the acceptability, of the accounting principles and the clarity of the financial disclosure practices used or proposed to be adopted by the Institute.
4. Inquire as to the auditor's views about whether management's choices of accounting principles are conservative, moderate, or aggressive, and whether those principles are common practice or are minority practices.
5. Determine, as regards to new transactions or events, the auditor's reasoning for the appropriateness of the accounting principles and disclosure practices.

6. Assure that the auditor's reasoning is described in determining the appropriateness of changes in accounting principles and disclosure practices.
7. Establish and maintain procedures for (i) the receipt, retention, and treatment of complaints regarding accounting, internal accounting or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
8. Establish and maintain procedures for the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters.
9. Establish, review and update periodically a Code of Ethical Conduct [applicable to all employees] (the "Code") and ensure that management has established a system to enforce compliance with the Code. Ensure that the Code is in compliance with all applicable rules and regulations.
10. Ensure that management has the proper review system in place to ensure that the financial statements, reports and other financial information of the Company disseminated to governmental organizations and the public satisfy all applicable legal requirements.
11. Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings with respect to which executive officers or directors or members of their immediate families have an interest (including all transactions required to be disclosed by Item 404(a) of Regulation S-K).
12. Review, with the Company's legal counsel, legal compliance matters including the Company's securities trading policies.
13. Review, with the Company's legal counsel, any legal and regulatory matters that could have a significant impact on the Company's financial statements, compliance policies and programs.

Scheduled Activities:

1. Consider, in consultation with the independent auditor and management, the audit scope and plan of the independent auditor.
2. Review with management and the independent auditor the results of annual audits and related comments including:
 - The independent auditor's audit of the Company's annual financial statements, and the accompanying footnotes and its report thereon.
 - Any significant changes required in the independent auditor's audit plans.
 - Any difficulties or disputes with management encountered during the course of the audit.

- Other matters related to the conduct of the audit which are to be communicated to the Committee under Generally Accepted Auditing Standards.
3. Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.
 4. Assure that the auditor's reasoning is described in accepting or questioning significant estimates by management.
 5. Review and, as necessary, update the Charter annually.

“When Necessary” Activities:

1. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigations.
2. Review with the independent auditor, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Committee, have been implemented.
3. Perform any other activities consistent with this Charter, the Company's bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

Internal Audit:

1. Review and advise on the selection and removal of the internal audit director.
2. Review the activities, organizational structure, and qualifications of the internal audit function.
3. On an annual basis, review and recommend changes (if necessary) to the Company's internal audit charter.
4. Periodically review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit department's work.
5. Periodically review the independent auditor, the budget, staffing, and responsibilities of the internal audit function.

Meetings:

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but in any event the Committee shall hold at least four regular meeting per year. The Chairman of the Board and the Chief Executive Officer of the Company may attend any meeting of the Committee, except for portions of the meetings where his, her or their presence

would be inappropriate, as determined by the Committee. The Committee may ask the members of management or others to attend meetings and provide information as necessary.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

Minutes:

Minutes of each meeting will be kept and distributed to each member of the Committee, members of the Board who are not members of the Committee and the Secretary of the Company. The Chairman of the Committee will report to the Board from time to time, or whenever so requested by the Board

* * *

While the Committee has the duties and responsibilities set forth in this Charter, the Committee is not responsible for preparing or certifying the Company's financial statements, for planning or conducting the audit, or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable federal or state law.