

FAIRPOINT COMMUNICATIONS, INC.

Charter of the Audit Committee of the Board of Directors

PURPOSE

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) to assist the Board in fulfilling its responsibility to oversee the quality and integrity of the Company’s financial reporting and the audits of the financial statements of the Company by the registered public accounting firm employed by the Company for the audit of the Company’s financial statements (the “External Auditors”). The Committee’s purpose is to:

- Assist the Board’s oversight of:
 - The integrity of the Company’s financial statements;
 - The Company’s compliance with legal and regulatory requirements;
 - The External Auditors’ qualifications and independence; and
 - The performance of the Company’s internal audit function and the External Auditors.
- Prepare the report of the Committee required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual meeting proxy statement.

This Charter governs the activities of the Committee. While this Charter should be interpreted in the context of all applicable laws and regulations, as well as the Company’s certificate of incorporation and bylaws, it does not by its own force create any legally binding obligations.

MEMBERSHIP

The Committee shall be comprised of not less than three members of the Board. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The Board shall designate a chairperson of the Committee. All members of the Committee shall meet the independence criteria and have the qualifications set forth in the listing standards of The NASDAQ Global Market (the “NASDAQ”) and the rules of the Securities Exchange Act of 1934 (the “Exchange Act”). No member of the Committee shall, in the opinion of the Board, have any relationship with the Company which would interfere with the exercise of independent judgment. Members should be financially literate and shall not be an employee of the Company. At least one member of the Committee shall qualify as an “audit committee financial expert” as defined in Item 407(d)(5) of Regulation S-K under the Exchange Act (which the Board may presume satisfies the NASDAQ listing standard that one member have accounting or related financial management expertise). In addition, no member of the Committee shall directly or indirectly receive material benefit from transactions or arrangements with the Company other than as an equity holder or in return for their service as a director.

Committee members shall not serve simultaneously on the audit committee of more than two other public companies, unless the Board determines that such service will not impair the member's ability to serve on the Committee.

DUTIES AND RESPONSIBILITIES

The Committee's responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the External Auditors are responsible for auditing those financial statements. Additionally, the Committee recognizes that the Company's management, as well as External Auditors, have more time, knowledge and more detailed information on the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the External Auditor's work. The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities and shall have ultimate responsibility for the process of handling complaints regarding the Company's accounting practices and financial controls.

To carry out its oversight responsibility, the Committee shall undertake the activities set forth below and those included in the Audit Committee Standing Agenda, which is attached hereto. These activities are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

- The Committee, subject to any action that may be taken by the full Board, shall have the ultimate authority and responsibility to appoint, compensate, retain (or nominate for shareholder ratification), oversee, evaluate and, where appropriate, replace the External Auditors.
- The External Auditors shall report directly to the Committee.
- The Committee shall take reasonable steps to confirm the independence of the External Auditors.
- The Committee shall consider, in consultation with the External Auditors, the audit scope and plan.
- The Committee shall review with the External Auditors the adequacy of the Company's internal controls, any significant findings and recommendations of the External Auditors together with management's responses, and any matters required to be discussed under current auditing standards.
- The Committee shall pre-approve all audit services and permissible non-audit services to be provided by the External Auditors in accordance with policies adopted by the Committee.
- The Committee shall establish clear hiring policies for employees or former employees of the External Auditors.

- The Committee shall ensure the rotation of the independent auditor’s lead or coordinating audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, every five years.
- The Committee shall review and discuss with the External Auditors and management the results of the annual audit and inquire about significant financial risks or exposures and assess the steps management has taken to minimize such risks to the Company.
- The Committee shall review legal and regulatory matters that may have a material impact on the financial statements and review related Company compliance policies.
- The Committee shall review the Company’s policies with respect to risk assessment and risk management.
- The Committee shall have the responsibility to establish procedures as required by Section 10A(m)(4) of the Exchange Act for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Committee shall review and address conflicts of interest of directors and officers and material related party transactions, receive reports from management regarding compliance by employees, officers and directors with the Company’s Code of Business Conduct and Ethics and Code of Ethics for Financial Professionals and advise the Board with respect to policies and procedures relating to such compliance matters.
- The Committee shall report regularly to the Board and shall review with the Board any issues that arise with respect to the quality or integrity of the Company’s financial statements, the Company’s compliance with legal or regulatory requirements, the performance and independence of the External Auditors and the performance of the internal auditors.

MEETINGS

The Committee shall meet as often as deemed necessary or appropriate in its judgment, generally at least four times each year, either in person or by phone. Any member of the Committee may call meetings of the Committee. The Committee shall meet with the External Auditors at least quarterly. 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, External Auditors, internal auditors or management believe should be discussed privately.

PROCEDURES

Formal actions to be taken by the Committee shall be by unanimous written consent or by a majority of the persons present (in person or by teleconference) at a meeting at which a quorum is present. A majority of the total membership of the Committee shall constitute a quorum for the transaction of business.

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company. The Committee shall have the authority and sufficient funding to retain outside legal counsel, accountants or other experts as it determines necessary and appropriate to assist the Committee in carrying out its functions, without obtaining the approval of the Board or management.

PERFORMANCE EVALUATION

The Committee shall prepare and provide to the Board an annual performance evaluation of the Committee, including an assessment of the performance of the Committee based on the duties and responsibilities set forth in this Charter and such other matters as the Committee may determine. The evaluation provided to the Board may take the form of an oral report by the Committee chairperson or any other member of the Committee designated by the Committee to make the report, and shall be undertaken under the supervision of the Corporate Governance and Nominating Committee in accordance with the Corporate Governance Guidelines adopted by the Board. The Committee shall review and assess the adequacy of the Committee Charter annually and shall propose any necessary changes to the Corporate Governance and Nominating Committee for review and ultimate recommendation for approval to the Board.