

As of February 2, 2006

## **CENTENNIAL COMMUNICATIONS CORP. AUDIT COMMITTEE CHARTER**

### **I. PURPOSE**

The Audit Committee is established by the Board of Directors of Centennial Communications Corp. (the “Company”) for the primary purpose of assisting the Board of Directors in its oversight role relating to:

- the quality and integrity of the Company’s financial statements,
- the Company’s compliance with legal and regulatory requirements relating to financial reporting and disclosure,
- the hiring of the independent auditor, including the independent auditor’s performance, qualifications and independence,
- the performance of the Company’s internal audit function, and
- the Company’s system of disclosure controls and system of internal controls regarding finance, accounting, financial compliance, and ethics that management and the Board have established.

Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Audit Committee should also provide an open avenue of communication among the independent auditors, financial and senior management, the internal auditing function, and the Board of Directors. All references in this Charter to the internal auditing function shall include any external group acting in such capacity.

The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as the Audit Committee deems appropriate to perform its duties and responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditor or any other accounting firm performing other audit, review or attest services and to any advisers that the Audit Committee chooses to engage.

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in Section III of this Charter. The Audit Committee will report regularly to the Board of Directors regarding the execution of its duties and responsibilities. Such report may take the form of an oral report by the Chairman or any member of the Audit Committee.

### **II. COMPOSITION AND MEETINGS**

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be “independent” directors (as defined by all applicable rules and regulations), and who shall be 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 sufficient to satisfy all applicable rules and regulations. The Board shall use its reasonable best efforts to ensure that at

least one member of the Committee shall be a “financial expert” in compliance with the criteria established by the SEC and other relevant regulations.

The members of the Committee shall be appointed by the Board. Each member shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Audit Committee may be removed, with or without cause, by a majority vote of the Board of Directors. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet periodically with management, the director of the internal auditing function and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee should meet with the independent auditors and management, and, to the extent the Committee determines appropriate, outside counsel, to discuss the annual audited financial statements and quarterly financial statements, including the Company’s disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. Any member of the Audit Committee may call a meeting of the Audit Committee and meetings may be held in-person or telephonically at such times and locations as the Audit Committee may determine. A majority of the total number of members shall constitute a quorum of the Committee. A majority of the members of the Committee shall be empowered to act on behalf of the Committee, except as provided otherwise in this Charter. Minutes shall be kept of each meeting of the Committee.

### **III. RESPONSIBILITIES AND DUTIES**

The following functions shall serve only as a guide with the understanding that the Audit Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions.

The Audit Committee and its advisors shall be given full access to the Company’s internal audit group, Board of Directors, corporate executives, outside counsel and independent accountants as necessary to carry out these responsibilities. Notwithstanding the foregoing, the Audit Committee is not responsible for certifying the Company’s financial statements or guaranteeing the auditor’s report. The fundamental responsibility for the Company’s financial statements and disclosures rests with management. The Company’s independent auditors are responsible for auditing the financial statements.

To fulfill its responsibilities and duties, the Audit Committee shall, to the extent determined appropriate and necessary:

#### *Documents/Reports/Accounting Information Review*

1. Review this Charter at least annually and recommend to the Board of Directors any necessary amendments as conditions dictate.
2. Review and discuss with management prior to filing with the SEC the Company’s annual financial statements and quarterly financial statements. Review other relevant reports or financial information submitted by the Company to the SEC or the public, including management certifications as required by the Sarbanes-Oxley Act of 2002 (Sections 302

- and 906) and relevant reports rendered by the independent auditors (or summaries thereof).
3. Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K.
  4. Review earnings press releases with management, including review of “non-GAAP financial measures” (as defined in the rules of the SEC). Discuss with management, as necessary, financial information and earnings guidance provided to analysts and rating agencies. The Committee’s discussion in this regard may be general in nature (*i.e.*, discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Company may provide earnings guidance.
  5. Review the material internal reports (or summaries thereof) to management prepared by the internal auditing department and management’s responses, if any.

#### *Independent Auditors*

6. Appoint (subject to shareholder ratification, if applicable), compensate, and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. Review the performance of the independent auditors and remove the independent auditors if circumstances warrant. The independent auditors shall report directly to the Audit Committee and the Audit Committee shall oversee the resolution of disagreements between management and the independent auditors in the event that they arise. Consider whether the auditor’s performance of permissible nonaudit services is compatible with the auditor’s independence.
7. Review the independent auditor’s attestation and report on management’s internal controls report; and hold timely discussions with the independent auditors regarding the following:
  - all critical accounting policies and practices;
  - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;
  - the effect of off-balance sheet arrangements on the financial statements;
  - other material written communications between the independent auditor and management including, the management letter and schedule of unadjusted differences; and
  - an analysis of the auditor’s judgment as to the quality of the Company’s accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements.
8. At least annually, obtain and review a report by the independent auditor describing:
  - the independent auditor’s internal quality control procedures;
  - any material issues relating to the Company raised by the most recent internal quality-control review, PCAOB inspection reports, or by any inquiry or investigation by governmental or professional authorities, within the past year,

- respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
- all relationships between the independent auditor and the Company in an effort to assess the auditor's independence.
9. Review and approve in advance the terms of and compensations for both audit and nonaudit services (other than "Prohibited Non-Audit Services") to be provided by the independent auditor (other than with respect to *de minimis* exceptions permitted by the Sarbanes-Oxley Act of 2002). This duty may be delegated to one or more designated members of the Audit Committee with any such preapproval reported to the audit committee at a subsequent meeting. Approval of nonaudit services shall be disclosed in periodic reports required by Section 13(a) of the Securities Exchange Act of 1934. Prohibited Non-Audit Services shall be as set forth in the rules promulgated by the SEC, including: (i) bookkeeping or other services related to the accounting records or financial statements of the audit client; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, providing fairness opinions or preparing contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service that the Public Company Accounting Oversight Board prohibits through regulation.
  10. Review the Company's hiring policies for employees or former employees of the independent auditor. At a minimum, these policies must provide that any registered public accounting firm may not provide audit services to the Company if the CEO, controller, CFO, chief accounting officer or any person serving in an equivalent capacity for the Company was employed by the registered public accounting firm and participated in the audit of the Company within one year of the initiation of the current audit.
  11. Confirm with any independent auditor retained to provide audit services for any fiscal year that (a) both the lead audit partner (having primary responsibility for the audit), and the audit partner responsible for reviewing the audit, have complied with the requirement that they rotate after five years and are subject to a five-year "time-out" period after rotation and (b) audit partners other than the lead and concurring partner have complied with a seven-year rotation requirement and a two-year time-out period, or any other applicable rules.
  12. To the extent deemed necessary, discuss with the independent auditor's national office any issues brought to it by the Company's audit team.
  13. Discuss any other items that the relevant accounting standards may require.

#### *Financial Reporting Processes and Accounting Policies*

14. In consultation with the independent auditors and the internal auditors (as deemed necessary), review the integrity of the Company's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls).
15. Review with management major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the

Company's internal controls and any special audit steps adopted in light of material control deficiencies.

16. Review analyses prepared by management (and the independent auditor as noted in item 7 above) setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
17. Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
18. Review and approve all related party transactions, to the extent required by applicable rules and regulations.
19. Establish and maintain procedures for (i) the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters and (ii) the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters.

#### *Internal Audit*

20. Review the structure, responsibilities, plans, budget, staffing, performance and development of the Company's internal audit function.
21. Review and advise on the appointment, promotion or dismissal of the chief internal audit executive.
22. Review with the chief internal audit executive any significant difficulties, disagreements with management, or scope restrictions encountered in the course of performing the function's work.

#### *Ethical Compliance, Legal Compliance, and Risk Management*

23. Review periodically the Company's Code of Conduct and compliance training program.
24. Review, with the Company's General Counsel, applicable laws and regulations and legal compliance matters including corporate securities trading policies that could have a significant impact on the Company's financial statements.
25. Meet with management to discuss the Company's major financial risk exposures and steps management has taken to monitor and control them.

#### *Other Responsibilities*

26. Review with the independent auditors, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

27. Prepare the Audit Committee Report that the SEC requires be included in the Company's annual proxy statement.
28. Annually, perform a self-assessment relative to the Audit Committee's purpose, duties and responsibilities outlined herein.
29. Perform any other activities consistent with this Charter, the Company's certificate of incorporation and by-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.