

New Ulm Telecom, Inc. Audit Committee Charter

PURPOSE

The Audit Committee assists the Board of Directors in monitoring: 1) the integrity of the financial statements of the Company; 2) the adequacy of the Company's internal controls; 3) the independence and performance of the Company's independent auditors and 4) conflict of interest transactions.

MEMBERSHIP AND ORGANIZATION

- *Selection and Removal.* Members of the Audit Committee and its Chair shall be appointed by the Board of Director Chair and ratified by the Board of Directors acting upon the input from the Corporate Governance/Nominating Committee. The Board of Directors may remove members of the Audit Committee from such committee with or without cause.
- *Number.* The Audit Committee shall consist of at least three independent members of the Board of Directors.
- *Independence.* Each member of the Audit Committee shall be independent as defined by the rules of the Securities and Exchange Commission (SEC); as such requirements may be modified or supplemented from time to time.
- *Financial Literacy.* Each member of the Audit Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statements at the time of his or her appointment to the Audit Committee. At least one member of the Audit Committee shall be an "audit committee financial expert" as defined by SEC rules.
- *Compensation.* The compensation of the Audit Committee members shall be determined by the Board of Directors. No member of the Audit Committee may receive, directly or indirectly, any consulting, advisory or other compensation fee from the Company or any of its subsidiaries other than fees paid in his or her capacity as a member of the Board of Directors or a committee of the Board.

AUTHORITY AND RESPONSIBILITIES

Through minutes, the Committee Chair shall report the committee's activities and actions to the Board at the next regular Board meeting following each Committee meeting.

1. Oversight of Financial Reporting and Auditors:

Funding. The Company provides appropriate funding to carry out the Committee's responsibilities, including compensation of independent counsel or other advisors as the Committee determines necessary.

Independent Auditors. The Committee is directly responsible for the appointment, compensation and oversight of the independent auditors. The Committee provides the independent auditor with full access to the Committee and the Board of Directors to report any appropriate matters. The independent auditor reports directly to the Committee. The committee will resolve any disagreements between management and the independent auditor regarding financial reporting.

The Committee reviews the independent auditor's disclosures required by the Public Companies Accounting Oversight Board (PCAOB) and discusses any relationships which may affect the auditor's independence or objectivity.

The Committee also reviews the independent auditor's PCAOB and peer reviews and discusses the results of these reviews as they relate to the auditor's qualifications.

The Committee discusses with the independent auditors, the overall scope and plans for the audit, including staffing, timing and approval of the engagement partner and partner rotation. The Committee also reviews with the auditor specific audit areas; recently issued accounting and auditing pronouncements, evaluation of the risk of material misstatement, and planned reliance on the Company's internal financial controls.

SEC Filings Review. The Committee reviews the audited financial statements and related financial disclosures included in all SEC filings and discusses them with management and the independent auditor, as well as legal counsel, prior to filing with the SEC. The Committee also reviews the Company's quarterly financial statements and discusses them with management, the independent auditor and legal counsel prior to filing the form 10Q with the SEC.

The Committee reviews with management and the independent auditors written communications from the auditor, including those required by auditing standards and any other issues, other significant judgments or estimates relating to the audited financial statements.

The Committee annually issues a report to be included in the Proxy Statement, which describes the procedures followed and its recommendation to the Board of Directors, regarding the audited financial statements of the Company in the Form 10-K to be filed with the SEC.

2. Oversight of Compliance, Ethics and Controls

Risk Assessment. The Committee shall oversee the assessment of fraud risk, and any such assessment performed by management and by independent auditors. The assessments will consider the potential and the risk of fraud and will be on a comprehensive and recurring basis.

The Committee reviews and discusses the adequacy and effectiveness of the Company's internal control over financial reporting, including reviewing management's assessment

of the effectiveness of internal control over financial reporting as of the end of the most recent fiscal year, the independent auditor's report on management's assessment, and, if required, the auditor's opinion on the effectiveness of the Company's internal controls.

The Committee reviews any deficiencies in the Company's internal controls disclosed in these reviews with management and, when applicable, the independent auditor retained to conduct such review of the sufficiency of internal controls. (Such independent auditor, when retained, is independent of the auditor conducting the review of financial reporting and controls.) The Committee monitors any changes or improvements required or made to the internal controls in response to management's and the independent auditor's reports.

The Committee exercises open communications with management and the auditors, meeting with management and the independent auditors whenever it is deemed appropriate, but at least four times per year. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Committee or to meet with any member of, or consultants to, the Committee. Periodically, the Committee will meet in executive session with the independent auditor or individual members of management. The Committee may also meet in private sessions as necessary.

Outside Consultants. The Committee reviews and approves the engagement of any outside consultants who are advising, documenting or assessing the company's internal control policies and procedures or are responsible for any part of the Company's internal control policies and procedures. The Committee reviews reports provided by these outside consultants.

Code of Business Conduct and Ethics Policy Review. The Committee reviews the Company's Code of Business Conduct and Ethics Policy, overseeing the system for its compliance. In doing so, it shall review all potential conflict of interest situations and approve any between the Company and its officers, directors, and significant shareholders not in their capacities as such.

The Committee is responsible for receipt, retention and treatment of complaints regarding accounting, internal accounting controls and auditing matters, including procedures for the confidential and anonymous submission of concerns by employees regarding questionable accounting or auditing matters.

In discharging its oversight, the Committee is empowered to investigate any matter brought to its attention. The Committee has full access to the records, facilities and personnel of the Company.

The Committee reviews and reassesses the adequacy of this charter at least annually and recommends changes to the Board of Directors. The Committee also performs an evaluation of the Committee's performance at least annually to assess whether it is functioning effectively.

LIMITATION

The Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the independent registered public accountants based on the information it receives and the discussions it has with management and the independent registered public accountants. The Committee is not responsible for planning or conducting audits of the Company's financial statements or internal controls. Furthermore, the Committee's functions are not intended to replace or duplicate the activities or responsibilities of management.