

Notice to Suppliers and List of Frequently Asked Questions:

On January 19, 2016, PT Holdco, Inc.; Primus Telecommunications Canada, Inc. (“PTCI”); PTUS, Inc. (“PTUS”); Primus Telecommunications, Inc.; and Lingo, Inc. (collectively, “Primus” or the “Company”) commenced proceedings (the “CCAA Proceedings”) under the Companies’ Creditors Arrangement Act, also known as the “CCAA” and received an order (the “Initial Order”) from the Ontario Superior Court of Justice in Toronto, which provides a stay of proceedings against the Company.

Primus commenced the CCAA Proceedings in order to complete the sale of its business and assets in Canada and the United States to Birch Communications, Inc. (“Birch Communications”) following an extensive sale and investor solicitation process launched in September of last year. Birch Communications is a provider of high-quality, reliable communications, broadband, cloud and IT services to small, mid-sized, enterprise and wholesale businesses in the United States, Canada and Puerto Rico.

On January 21, 2016, Primus sought and obtained an order from the United States Bankruptcy Court for the District of Delaware (the “US Court”) providing a preliminary injunction restraining actions against Primus pending an order recognizing the CCAA proceedings as foreign main proceedings (the “Chapter 15 Proceedings”).

The decision to sell Primus at this time was the result of a thorough legal and financial analysis of the options available to restructure the business in Canada and the United States in order to preserve the value of the Company for the benefit of our customers, suppliers, employees and other key stakeholders.

The commencement of the CCAA Proceedings was a necessary step to complete the sale of the Company’s business and assets, which will include obtaining court approval for the transaction. Primus will be seeking Court approval for the sale transaction at hearings both in Canada and the United States which are expected to be held in the next three to four weeks.

As part of the CCAA proceedings, FTI Canada Consulting Inc. was appointed as monitor (the “Monitor”). The Monitor is an independent officer of the court and its role is to monitor the activities of the Company during the CCAA proceedings and to assist various the stakeholders.

A list of Frequently Asked Questions from Suppliers is presented below:

Frequently Asked Questions - Suppliers

1. What is the CCAA?

- The Companies' Creditors Arrangement Act, or "CCAA" is a federal statute in Canada that enables debtor companies to restructure their financial affairs, including the sale of their business and assets, under the supervision of the Court.
- As part of the CCAA proceedings, the Court grants a **stay of proceedings** which prevents creditors, such as lenders and suppliers, from taking action against, or terminating contracts or agreements with the debtor company, giving it the time and stability to enable it to restructure or sell its assets, which is the case with Primus.

2. What are Chapter 15 Proceedings?

- The Chapter 15 Proceedings are a US Court supervised process pursuant to the US Bankruptcy Code that in effect gives recognition in the United States of the CCAA Proceedings in Canada.

3. Is the Company bankrupt?

- No. Under Canadian insolvency and restructuring laws, **bankruptcy** is a specific type of proceeding under which an insolvent company's operations are terminated and a trustee is appointed by the Court to take control of, and sell the debtor company's assets for the benefit of its creditors.
- The CCAA proceedings, among other things, prevent creditors from forcing a company into bankruptcy. For this reason, CCAA proceedings are sometimes referred to as "bankruptcy protection" in Canada.

4. Why did the Company file CCAA?

- The Company initiated the CCAA Proceedings in order to complete the sale of its business and assets in Canada and the United States to Birch Communications pursuant to an asset purchase agreement that was negotiated following an extensive

sale and investor solicitation process launched in September of last year. Birch Communications is a provider of high-quality, reliable communications, broadband, cloud and IT services to small, mid-sized, enterprise and wholesale businesses in the United States, Canada and Puerto Rico.

- Management determined, after considering many alternatives, that a sale of the business and assets provides the best way forward and will preserve the value of the Company for our customers, suppliers, employees and other key stakeholders.
- The CCAA Proceedings are a necessary step to complete the sales transaction, which will include obtaining Court approval for the sale.

5. What happens in a CCAA filing?

- Generally, in a CCAA proceeding, a debtor company is given time to develop and propose a **plan of arrangement** to its creditors under which the financial affairs of the company are restructured. One restructuring alternative may include the sale of all or parts of the business.
- During the CCAA proceedings, there is a Court-ordered **stay of proceedings** which prevents creditors from taking actions that could destabilize the company or force it into bankruptcy.
- Subject to the oversight of the Court, the Company will remain in control of its business and operations while it takes the steps to complete the sale of its business and assets to Birch Communications pursuant to the asset purchase agreement.
- The Court appoints a Monitor to oversee the activities of the Company and assist stakeholders with the CCAA process. FTI Consulting Canada, Inc. has been appointed as Monitor.

6. How long will the CCAA proceeding take to complete?

- It is difficult to say with certainty how long the CCAA Proceedings will take to complete, however, it is the intention of Primus to seek Court approval of the sales transaction in Canada and the United States as soon as possible, and to move quickly to close the transaction thereafter. The timing of the closing will also be dependent on the timing to obtain certain regulatory approvals.

- The Court has granted an initial stay of proceedings of 30 days, which is the maximum allowed by law on an initial application under the CCAA. The Company may request extensions of the stay of proceedings as required in order to complete the sale of its business and assets. Each request for an extension must be approved by the Court.

7. What is the Monitor?

- The Monitor is an officer of the Court whose responsibilities include assisting the company with its restructuring, reporting to the Court from time to time on the progress of the proceedings and, ultimately, providing a recommendation on the plan of arrangement (if one is proposed) or on the sale of the business. With respect to our CCAA proceedings, FTI Consulting Canada, Inc. has been appointed as Monitor.
- The Company will be giving its full co-operation to the Monitor.

8. Who is now in charge of the company?

- The Board of Directors and the executive management team remain in control of the Company and its operations, subject to the specific requirements of the CCAA Order and any further orders of the Court.

9. What does the filing mean for the Company's operations?

- While in the CCAA Proceedings, the Company will seek Court approval for the sale of its business and assets, following which it will move quickly to close the transaction. During this time, the Company intends to continue its operations "business as usual" and to provide the same high-quality of service to our customers that is expected from our organization.

10. Does the Company have sufficient financing to complete its activities?

- Yes. Based on the current cash flow forecasts prepared by the Company and reviewed by the Monitor, cash on hand as of the date of the filing combined with future trade receipts, are expected to fund Primus through the first 5 weeks of the CCAA

Proceedings. The Company will prepare further cash flow forecasts in connection with any motions to extend the stay of proceedings.

11. I have unpaid invoices for products/services delivered prior to the CCAA filing. Will these amounts be paid?

- Claims against the Company in respect of goods or services delivered or provided to the Company prior to the date of the CCAA Initial Order (“pre-filing claims”) are subject to the stay of proceedings provided under the CCAA Initial Order.
- If as a result of the CCAA Proceedings and the sale of the business and assets it is determined that there are amounts available for distribution in respect of the claims of pre-filing creditors, the Company, with the approval of the Court, will initiate a claims process whereby creditors will be invited to submit a proof of claim, which if approved, will entitle the creditor to receive a distribution in respect of their claim(s) (subject to the priorities of other creditors).
- Pursuant to the terms of the asset purchase agreement, certain amounts owing in respect of pre-filing claims associated with contracts that will be assigned to the Purchaser will be paid upon closing.

12. How do I file a claim for amounts outstanding?

- If a procedure for the filing of claims is implemented by the Company and approved by the Court, the Monitor is required to notify all known creditors of the claims process. Alternatively, you can visit the Monitor’s website at <http://cfcanda.fticonsulting.com/primus> for updates on the CCAA proceedings.
- Until a claims procedure has been approved, suppliers should ensure that all invoices in respect of pre-filing goods and services have been submitted to the Company.

13. Do I continue dealing with my existing contacts?

- Yes, you should continue to deal with your regular contacts.

14. Do I have to continue to provide goods/services to the company?

- The CCAA Initial Order provides that anyone having a written or oral agreement to provide goods or services to the Company is prohibited from terminating such arrangements, provided that the Company pays the agreed prices or charges for such goods or services.

15. I understand that I can recover goods that I delivered in the last 30 days. Is that correct?

- No. The rights to which you refer arise only in certain proceedings under the Bankruptcy and Insolvency Act in Canada. They do not apply in a CCAA proceeding.

16. How will I be kept informed of developments during the proceedings?

- We will provide periodic updates on the progress of the restructuring and any key developments. In addition, Court materials, Court orders and status updates including Monitor's reports, will be available on the internet at <http://cfcanada.fticonsulting.com/primus>

17. What do I do if I have other questions?

- For every-day business questions, you should continue to speak to your normal contact person at Primus.
- For questions relating to the CCAA proceedings, you can call the Monitor's hot-line at 416-649-8062 or toll free 1-855-649-8062 or send an email to the Monitor at primus@fticonsulting.com.