

FAIRPOINT.

Fairpoint Group plc
Notice of Annual General Meeting **2009**



NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at on, 27 April 2009 at One Wood Street, London, EC2V 7WS at 4.00 pm, to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the accounts for the year ended 31 December 2008, together with the Reports of the Directors and of the Auditors thereon.
2. To re-appoint BDO Stoy Hayward as auditors to the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
3. To authorise the Directors to determine the remuneration of the auditors of the Company.
4. To re-elect as a Director Andrew Heath.
5. To re-elect as a Director John Allkins.
6. To re-elect as a Director Matthew Peacock.
7. To re-elect as a Director Chris Moat.
8. To approve the Directors' Remuneration Report for the year ended 31 December 2008.

To transact any other ordinary business of the Company.

SPECIAL BUSINESS

To consider and, if thought fit, (and in the case of resolution 9 to the passing of resolution 10) pass the following resolutions. Resolution 9 will be proposed as ordinary resolution. Resolutions 10, 11 and 12 will be proposed as special resolutions.

9. THAT, the Directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 in substitution for any existing authority to allot relevant securities to exercise all the powers of the Company to allot relevant securities (within the meaning of section 80 of the Companies Act 1985) up to a maximum nominal amount of £164,972.4 to be made up as follows:
 - 9.1 £141,333 (being approximately one third of the current issued share capital)
 - 9.2 £23,639.40 (being approximately 6.3% of the current issued share capital)

provided that such authority shall expire on 24 July 2010 but so that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry, and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by this resolution had not expired.

Explanatory note to resolution 9

The Companies Act 1985 requires that the directors' authority to allot shares be subject to the approval of shareholders in general meeting. This authority was last granted at the 2008 annual general meeting. It has been decided to renew this authority at this time to keep it in line with the renewal of the power to allot shares.

The Company entered into a Sale and Purchase Agreement with Clear Start Limited in 2007. At that time, part of that authority granted by the shareholders is for the Company to allot shares in accordance with earn-out conditions to be met by the Vendors. Subject to these conditions being met in the required period, the Company is now seeking shareholder authority to allot the consideration shares to the Vendors.

10. THAT, subject to the passing of resolution 9 as set out in the notice of this meeting, and in accordance with the Articles of Association of the Company, the Directors be empowered pursuant to section 95 of the Companies Act 1985 to allot equity securities (as defined in section 94 of the Companies Act 1985) for cash pursuant to the general authority and sell relevant shares (as defined in section 94 of the Companies Act 1985) held by the Company as treasury shares (as defined in section 162A of the Companies Act 1985) for cash, conferred by resolution 10 as set out in the notice of this meeting as if section 89(1) of the Companies Act 1985 did not apply to such allotment provided that this power shall be limited to allotments of equity securities:

- (i) in connection with or pursuant to an offer by way of rights, open offer or other pre-emptive offer to the holders of shares in the Company and other persons entitled to participate therein in proportion (as nearly as practicable) to their respective holdings, subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical

problems under the laws of any territory or the regulations or requirements of any regulatory authority or any stock exchange in any territory;

- (ii) otherwise than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £19,981 (being approximately 5% of the current issued share capital)
- (iii) otherwise than pursuant to sub-paragraph (i) above, up to an aggregate nominal amount of £23,639.40 (being approximately 6.3% of the current issued share capital) in connection with the sale and purchase agreement relating to Clear Start Limited

and such power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2010 or on 24 July 2010 whichever is earlier, but so that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry, and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred by this resolution had not expired.

Explanatory note to resolution 10

The Companies Act 1985 requires that any equity securities issued wholly for cash must first be offered to existing shareholders in proportion to their existing holdings, although this requirement may be modified by special resolution. This power was last granted at the 2008 annual general meeting. The intention is to renew this authority. Any allotment of shares relating to the Clear Start Limited transaction would be solely in payment of consideration in accordance with a Sale and Purchase Agreement with the Vendors of Clear Start Limited.

The directors feel it would be prudent to renew this power at the 2009 annual general meeting in order to ensure that they have adequate authority to issue new shares.

11. THAT, the Company be generally and unconditionally authorised, pursuant to section 166 of the Companies Act 1985, to make market purchases (as defined in section 163 of the Companies Act 1985) of up to 5,994,508 Ordinary Shares of 0.01p each in the capital of the Company (being approximately 15 per cent of the current issued ordinary share capital of the Company) on such terms and in such manner as the Directors of the Company may from time to time determine, provided that:

- (a) the amount paid for each share (exclusive of expenses) shall not be more than the higher of (1) five per cent above the average market value/of the middle market quotation for Ordinary Shares as derived from the AIM appendix of the Daily Official List of London Stock Exchange plc for the five business days before the date on which the contract for the purchase is made, and (2) an amount equal to the higher of the price of the last independent trade and current independent bid as derived from the trading venue where the purchase was carried out or less than 0.01p per share; and
- (b) the authority herein contained shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2010 or on 27 July 2010, whichever is earlier, provided that the Company may, before such expiry, make a contract to purchase its own shares which would or might be executed wholly or partly after such expiry, and the Company may make a purchase of its own shares in pursuance of such contract as if the authority hereby conferred hereby had not expired.

Explanatory note to resolution 11

The directors consider that it would be appropriate and in the best interests of the company to seek authority to make market purchases of its ordinary shares on the AIM Appendix of the London Stock Exchange. There may be occasions when, for a variety of reasons, the directors consider that it would be desirable to reduce the issued share capital by purchase on the market.

- 12 That the articles of association approved by the Board be adopted as the articles of association of the Company in substitution for, and to the exclusion of, all existing articles of association of the Company.

Explanatory note to resolution 12

The directors consider that it would be appropriate and in the best interests of the company to seek authority to make market purchases of its ordinary shares on the AIM Appendix of the London Stock Exchange. There may be occasions when, for a variety of reasons, the directors consider that it would be desirable to reduce the issued share capital by purchase on the market.

1 General

The current Articles of Association of the Company ("Current Articles") were adopted in 2001. Provisions in the Current Articles which replicate provision contained in the Companies Act 2006 are, in the main, to be amended in the proposed new Articles of Association ("New Articles"). In addition the Company intends to take the opportunity to update the Current Articles so as to more accurately reflect what they consider current best practice.

The main changes, including those made to reflect this approach are detailed below.

2 Share Capital

The New Articles set out in more detail procedures in relation to the share capital of the Company.

3 Form of Resolution

The Current Articles contain references to extraordinary resolution, a concept which has not been retained under the Companies Act 2006. References to extraordinary resolutions in the New Articles are deleted and changed to special resolutions. The voting thresholds for the passing of the extraordinary resolutions (and which are now special resolutions in the New Articles) remains unchanged at 75 per cent of shareholders entitled to vote, present and voting, voting in favour of the resolution.

4 Security Procedures

The new articles set out new security procedures that the directors have in respect of general meetings of the Company.

5 Uncertificated Holdings

The New Articles provide new simplified regulations more consistent with the Uncertificated Securities Regulations 2001.

6 Poll

The wording contained within the New Articles in respect of Polls has been amended so as to be more consistent with current practice in terms of the conduct of the poll and declaration of results.

7 Electronic Communication

With effect from 20 January 2007 the electronic communications provisions of the Act were repealed and were replaced by the electronic communication provisions of the Companies Act 2006 and, to the extent relevant, in the Disclosure and Transparency Rules of the Financial Services Authority. The New Articles bring into effect all such changes. The Company is required to seek the individual agreement of each shareholder to such means of communication in accordance with the terms of the New Articles.

8 Directors Authorisation of Situations in which a Director has an Interest

The Companies Act 2006 set out directors' general duties which are largely codify the existing law. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or trustee of another organisation. The Companies Act 2006 allows director of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain provision to this effect. The Companies Act 2006 also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid breach of duty. The New Articles give directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider, in good faith, will be most likely to promote the company's success. The directors will be able to impose limits and conditions when giving authorisation if they think this is appropriate.

It is the directors intention to report annually on the company's procedure for ensuring that the Board's powers to authorise conflicts are operating effectively.

9 Indemnification of Directors and other Officers

The New Articles reflect sections of the Companies Act 2006 that replace equivalent sections of the Companies Act 1985. The provisions (which are broadly the same in both the Companies Acts 1985 and 2006) relax, to a limited extent, the prohibition on indemnifying directors allowing companies to provide insurance and to fund directors' defence costs in advance. Directors can be indemnified against liabilities to a 'qualifying third party' and against liabilities incurred in connection with the Company's activities as trustees of a 'qualifying pension scheme' but not against liabilities of the Company itself.

10 Proxies and Corporate Representatives

The Companies Act 2006 provides for the following:

- (i) members of a company may appoint more than one proxy, provided that each proxy exercises rights attached to a different share or shares;
- (ii) proxies may attend a meeting speak and vote (both on a show of hands and on a poll);
- (iii) the timing for delivery of proxies excludes part of a day that is not a working day; and
- (iv) the appointment, by a shareholder, of more than one representative.

The New Articles reflect these new provisions.

11 Dividends

The regulation in the New Articles have been updated to reflect what the directors consider is best practice and give greater detail of the procedures. In addition they allow, for instance, for the company to stop sending dividends if warrants are unclaimed.

12 Fees for Non-Executive Directors

The New Articles insert a new maximum level of fees for non-executive directors of £200,000 per annum.

13 Additional regulations in the New Articles of Association

The following additional regulations have been added to the New Articles:

- (i) Provision of how to deal with Untraced shareholders;
- (ii) Destruction of documents – circumstances in which the Company may destroy certain documents;
- (iii) Secrecy, a regulation making it clear that members are not entitled to information which the directors consider would be inappropriate to communicate to the public;
- (iv) Minutes and Books

The New Articles will be available for inspection at the Annual General Meeting and prior to that a copy may be requested from the Company Secretary at the Registered Office.

Notes:

1. Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies (who need not be a member of the Company) to attend and to vote instead of the member. Completion and return of a form of proxy will not preclude a member from attending and voting at the meeting in person, should he subsequently decide to do so.
2. In order to be valid, any form of proxy and power of attorney or other authority under which it is signed, or a notarially certified or office copy of such power or authority, must reach the Company's Registrars, Capita Registrars, Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time of the meeting or of any adjournment of the meeting.
3. As permitted by Regulation 41 of the Uncertificated Securities Regulations 2001, shareholders who hold shares in uncertificated form must be entered on the Company's share register at 6.00 p.m. on 25 April 2009 in order to be entitled to attend and vote at the Annual General Meeting. Such shareholders may only cast votes in respect of shares held at such time. Changes to entries on the relevant register after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
4. Copies of the service contracts and letters of appointment of each of the Directors will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturdays and public holidays excluded) and at the place of the Annual General Meeting from at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
5. Biographical details of each Director who is being proposed for re-appointment or re-election by shareholders, including their membership of Board committees, are set out at page 10 of the Annual Report and Accounts
6. In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives - www.icsa.org.uk - for further details of this procedure. The guidance includes a sample form of representation letter if the Chairman is being appointed as described in (i) above. A letter in this form would be acceptable to the Company and its Registrars.
7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment, or instruction, made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA 10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001. CREST members and where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Notes:

1. All members are entitled to attend and vote at the meeting, whether or not they have returned a form of proxy.
2. If any other proxy is preferred, delete the words "the Chairman of the Meeting or;" insert the full name of the proxy or proxies you wish to appoint and initial the alteration. If you are appointing more than one proxy you must indicate the number of shares in respect of which you are making this appointment, you should include the number in the box provided for your first named proxy and either obtain (an) additional proxy form(s) from the Registrars 0871 664 0300 (Calls cost 10p per minute plus network charges) or you may photocopy this form. Please return all the forms together and tick the box to indicate each form is one of multiple instructions being given. Please take care when completing the number of shares; if the total number of shares exceeds the total held by the member, all appointments may be invalid.
3. A proxy need not be a member of the Company but must attend the meeting in person.
4. In the case of a corporation this form of proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised in writing. In the case of an individual, the form of proxy must be signed by the individual or his attorney.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the offer in which the names stand in the register of members.
6. If you want your proxy to vote in a certain way on the resolutions, please insert "X" in the relevant box.
7. The "vote withheld" option is provided to enable you to abstain on any particular resolution. However, it should be noted that a "vote withheld" is not a vote in law and will not be counted in the calculation of the proportion of votes "For" and "Against" a resolution.
8. If you select 'discretionary' or fail to select any of the options, your proxy can vote as he or she chooses or can decide not to vote. Your proxy can also do this on any other resolution that is put to the meeting.
9. If this form of proxy is returned duly signed but without any indication as to how the person appointed proxy shall vote, he will exercise his discretion as to how he votes and whether or not he abstains from voting.
10. To be effective, this form of proxy, duly executed together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be lodged at the Company Registrars not less than 48 hours before the time appointed for the holding of the meeting or adjourned meeting.
11. Any alterations made in this form of proxy should be initialled.
12. Appointment of a proxy will not preclude a member from attending and voting in person should he subsequently decide to do so.
13. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, only those shareholders registered in the register of members of the Company at 6.00 pm on 25 April 2009 or, if the meeting is adjourned, shareholders on the Company's register of members not later than 48 hours before the time fixed for the adjourned meeting, shall be entitled to attend and vote at the meeting.
14. If two or more valid forms of proxy are delivered in respect of the same share, the one which was delivered last (regardless of its date or the date of its execution) will be valid.

FORM OF PROXY

I/We
of
.....
(Please insert full name(s) and address(es) in block letters - see Note 1 on back page)

being [(a) member(s)/a person nominated by (a) member(s)] of the above-named Company [to exercise the right to appoint a proxy, pursuant to Article [NUMBER] of the articles of association of the Company], hereby appoint the Chairman of the meeting or
.....
of
(See Note 2 back page)

as my/our proxy or proxies to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held on 27 April 2009 and at any adjournment of that meeting and to vote at that meeting as indicated below.

Please indicate how you wish your proxy or proxies to vote by inserting "X" in the box below. Where no "X" is inserted, and on any other resolutions proposed at the meeting, your proxy will vote or abstain from voting as he/she thinks fit.

Please tick here if this proxy appointment is one of multiple proxies being made (and refer to note 3 [below/overleaf])

The "vote withheld" option is provided to enable you to abstain on any particular resolution. However, it should be noted that this will not be calculated in the proportion of the votes "for" and "against" a resolution.

RESOLUTIONS:	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
1 To receive the Accounts for the year ended 31 December 2008				
2 To re-appoint BDO Stoy Hayward as auditors.				
3 To authorise the Directors to determine the remuneration of the auditors.				
4 To re-elect Andrew Heath as a Director.				
5 To re-elect John Allkins as a Director.				
6 To re-elect Matthew Peacock as a Director.				
7 To re-elect Chris Moat as Director.				
8 To approve the Directors Remuneration Report.				
9 To authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985.				
10 To authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985.				
11 To authorise the Directors to purchase its own shares.				
12 To adopt new articles of association.				

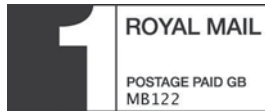
Dated
Signature(s)
or Common Seal

Number of share(s) (See Note 2 on back page)



SECOND FOLD

Business Reply Plus
Licence Number: MB122



Capita Registrars
Proxies Department
PO Box 25
BECKENHAM
KENT
BR3 4BR

FIRST FOLD

THIRD FOLD