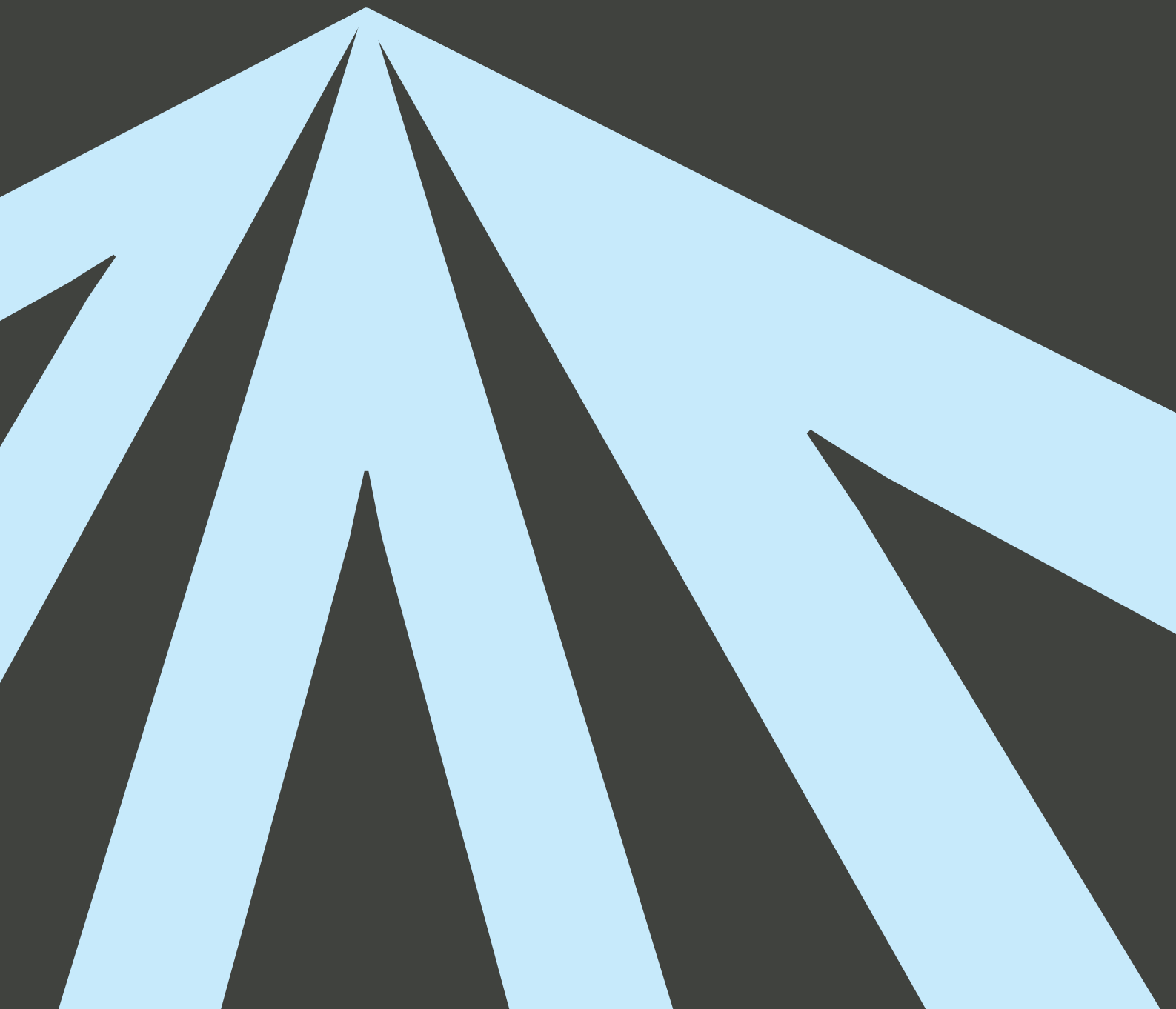


# FAIRPOINT.

Fairpoint Group plc  
Notice of Annual General Meeting 2008



NOTICE IS HEREBY GIVEN that the annual general meeting of the Company will be held at on 25 April 2008 at Holborn Gate, 26 Southampton Buildings, London WC2A 1PB at 9.00am, to transact the following business:

## ORDINARY BUSINESS

1. To receive and adopt the accounts for the year ended 31 December 2007, 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 declare a final dividend for the year ended 31 December 2007 of £0.04 per share, to be paid on 30 May 2008 to members whose names appear on the register of members at the close of business on 25 April, 2008.
5. To re-elect as a Director Andrew Redmond, who retires by rotation, in accordance with the Company's Articles of Association.
6. To re-elect as a Director Derek Oakley, who retires by rotation, in accordance with the Company's Articles of Association.
7. To re-elect Charles Mindenhall as a Director.
8. To re-elect Simon Gilbert as a Director.
9. To approve the Directors' Remuneration Report for the year ended 31 December 2007.

To transact any other ordinary business of the Company.

## SPECIAL BUSINESS

As special business, to consider and if thought fit pass the following resolutions which will be proposed as special resolutions:

10. 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 £23,639.40 (being approximately 6.3% of the current issued share capital) provided that such authority shall expire on 24 July 2009.

### Explanatory note to resolution 10

With shareholders approval 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.

11. THAT, subject to the passing of resolution 10 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 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 in connection with the sale and purchase agreement relating to Clear Start Limited.

### Explanatory note to resolution 11

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 a special resolution to the shareholders. The allotment of shares relating to the Clear Start Limited transaction relates solely to the payment of consideration in accordance with a Sale and Purchase Agreement with the Vendors of that company.

12. 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 £133,211 (being approximately one third of the current issued share capital) provided that such authority shall expire on 24 July 2009 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 12

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 2007 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 proposed under resolution 13.

13. THAT, subject to the passing of resolution 12 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) and such power shall expire on the conclusion of the Annual General Meeting of the Company to be held in 2009 or on 24 July 2009 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 13

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 2007 annual general meeting. Since then the directors have issued shares in respect of the Clear Start Limited acquisition and employee share schemes. The directors feel it would be prudent to renew this power at the 2008 annual general meeting in order to ensure that they have adequate authority to issued new shares in the event of future acquisitions.

14. 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 2009 or on 24 July 2009, 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 14**

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.

15. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent RA10 by 23 April 2008, 9.00am. 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. After this time any change of instructions to a proxy appointed through CREST should be communicated to the proxy by other means. CREST Personal Members or other CREST sponsored members, and those CREST Members who have appointed voting service provider(s) should contact their CREST sponsor or voting service provider(s) for assistance with appointing proxies via CREST. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual. We may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5) (a) of the Uncertificated Securities Regulations 2001. In any case your proxy form must be received by the company's registrars no later than 23 April 2008, 9.00am.

**Dated:** 19 March 2008

**Registered Office:**

Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

**By Order of the Board**

Andrew James Heath  
Secretary

**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 4ZB not less than 48 hours (excluding any part of a day which is a non-working day) 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 9.00 a.m. on 23 April 2008 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](http://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.

## 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 alternation. 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 664 300 (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 9.00am on 23 April 2008 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.
15. 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](http://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.
16. Shares held in uncertified form (i.e. in CREST) may be voted through the CREST Proxy Voting Service in accordance with the procedures set out in the CREST manual.

**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, 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 25 April 2008 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 2 [on back page/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.

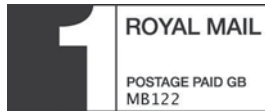
RESOLUTIONS:	FOR	AGAINST	VOTE WITHHELD	DISCRETIONARY
1 To receive the Accounts for the year ended 31 December 2007				
2 To re-appoint BDO Stoy Hayward as auditors				
3 To authorise the Directors to determine the remuneration of the auditors				
4 To declare a final dividend of 0.04p per share				
5 To re-elect Andrew Redmond as a Director				
6 To re-elect Derek Oakley as a Director				
7 To re-elect Charles Mindenhall as a Director				
8 To re-elect Simon Gilbert as Director				
9 To approve the Directors' Remuneration Report				
10 To authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985 (in connection with the acquisition of Clear Start Limited)				
11 To authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985 (in connection with the acquisition of Clear Start Limited)				
12 To authorise the Directors to allot relevant securities pursuant to section 80 of the Companies Act 1985				
13 To authorise the Directors to allot equity securities pursuant to section 95 of the Companies Act 1985				
14 To authorise the Directors to purchase its own shares				

Name(s) ..... (Block Letters)  
Address(es) ..... (Block Letters)  
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