

**FairPoint Communications, Inc.**

FRP NASDAQ

Integrated Telecommunications Services

Market Capitalization USD:

**\$98.49 mm****CONCERN LEVEL: AVERAGE**

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance. 
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated. 
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

**CEO: Paul H. Sunu****Age: 56****CEO Since: 2010**

	2009	2010	2011
<b>Base Salary</b>		\$523,077	\$750,000
<b>Discretionary Bonus</b>		\$60,923	\$157,220
<b>Annual Cash Incentive</b>		\$0	\$0
<b>Benefits and Perquisites</b>		\$1,608,472	\$103,783
<b>TOTAL ANNUAL COMPENSATION</b>		<b>\$2,192,472</b>	<b>\$1,011,003</b>
<b>Increase in Post-Retirement Benefits</b>		\$0	\$0
<b>Stock Option Awards</b>		\$0	\$1,016,250
<b>Stock Awards</b>		\$0	\$2,223,600
<b>TOTAL COMPENSATION</b>		<b>\$2,192,472</b>	<b>\$4,250,853</b>
<b>Median of Other Named Executive Officers Total Compensation</b>		\$513,570	\$1,284,799
<b>Value Realized on Exercise of Stock Option</b>		\$0	\$0
<b>Value Realized on Vesting of Stock</b>		\$0	\$555,900
<b>TOTAL REALIZED EQUITY COMPENSATION</b>		<b>\$0</b>	<b>\$555,900</b>

Proxy Date: 16 Apr 2012

Annual Meeting Date: 30 May 2012

Equity Reserves: 9.89%

Stock Option Run Rate: 3.88%

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## Performance Comparison

■ S&P500 ■ Industry ■ FRP



## Peer Comparisons (TRBC) = Integrated Telecommunications Services

### Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
FRP	FairPoint Communications, Inc.		\$2,192,472	\$4,250,853	\$98,491,101
EGHT	8x8, Inc.				\$253,965,793
CBEY	Cbeyond, Inc.	\$1,322,071	\$1,941,400		\$216,839,999
MSPD	Mindspeed Technologies, Inc.	\$1,519,604	\$4,134,941	\$5,059,974	\$180,077,944
AGX	Argan, Inc.	\$632,559	\$502,500		\$138,529,378
HTCO	HickoryTech Corporation	\$570,053	\$766,067	\$899,687	\$128,729,260

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

### Pay Peer Group

Akamai Technologies, Inc., American Tower Corporation, AOL Inc., Cablevision Systems Corporation, Charter Communications, Inc., Cincinnati Bell Inc., EarthLink, Inc., Frontier Communications Corporation, Hughes Communications, Inc., IAC/InterActiveCorp, Level 3 Communications, Inc., Open Text Corporation, PAETEC Holding Corp., tw telecom inc., Vonage Holdings Corp. and Windstream Corporation.

### Performance Peer Group

NA

## COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Edward D. Horowitz	Chairman	64	Male	1	Outside
David L. Treadwell	Member	57	Male	1	Outside
Todd W. Arden	Member	45	Male	1	Outside

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