

**NOTICE OF HEARING OF MOTION FOR CERTIFICATION AND APPROVAL OF
SETTLEMENT OF THE REDLINE COMMUNICATIONS GROUP INC. AND REDLINE
COMMUNICATIONS, INC. (“RDL”) SECURITIES CLASS ACTION**

READ THIS NOTICE CAREFULLY, IT MAY AFFECT YOUR RIGHTS

This notice is to all persons, other than certain persons associated with the Defendants, who acquired shares of Redline Communications Group Inc., and Redline Communications, Inc., (“RDL”) during the period from December 06, 2006 to March 15, 2010 (“Shares”) and who held some or all of those Shares on March 15, 2010 (“Class Members”).

In September, 2010, the plaintiffs commenced a class proceeding against RDL, KPMG LLP and certain officers and directors of RDL (the “Defendants”) in the Ontario Superior Court of Justice. The plaintiffs allege that the Defendants misrepresented RDL’s financial results to the Class Members.

The parties in the class action have reached a proposed settlement subject to obtaining necessary approval of the Ontario Court. If approved by the Court the Settlement will resolve the claims of all Class Members who do not opt out of the class action. The Defendants, RDL’s past or present parents, subsidiaries, affiliates, officers, directors, legal representatives, heirs, predecessors, successors and assigns, and any member of the individual Defendants’ families and any entity in which any of them has or had a legal or *de facto* controlling interest (“Excluded Persons”) are not permitted to participate in the Settlement.

The Settlement provides that the Defendants will pay \$3,600,000 (the “Settlement Amount”) in full and final settlement of the claims of Class Members, including legal fees, disbursements, taxes and administration expenses in return for releases and a dismissal of the class action. The Class Members who do not opt out and who file a proper claim will be paid a *pro rata* share of the balance of the settlement amount after payment of fees, expenses, and taxes.

The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

A Settlement Approval Motion Will Be Held in London, Ontario

The Settlement must be approved by the Court before it can be implemented. Class Members may, but are not required to, attend at the Approval Motion which will be held on November 21, 2011 at 10:00 a.m., at the Court House, 80 Dundas Street, London, Ontario.

If the Settlement is approved, another notice to Class Members will be published which will provide instructions on how to make a claim to receive compensation from the Settlement and how to opt out of the class if the Class Member does not wish to share in, or be bound by, the Settlement.

Class Members who approve or do not oppose the Settlement do not need to appear at the Approval Motion or take any other action at this time.

In addition to seeking the Court's approval of the Settlement, Siskinds ^{LLP} will seek the Court's approval of its legal fees not to exceed 25% of the Settlement Amount, plus disbursements and applicable taxes ("Class Counsel Fees") at the Approval Motion. Siskinds will also seek the appointment of an Administrator for the Settlement whose fees, together with any other costs relating to approval, notification, implementation and administration of the Settlement ("Administration Expenses"), will be paid from the Settlement Amount. Class Counsel Fees and Administration Expenses will be deducted from the Settlement Amount before it is distributed to Class Members.

Terms of the Settlement Agreement

The remainder of the Settlement Amount, after deduction of Class Counsel Fees and Administration Expenses (the "Net Settlement Amount") will be distributed to Class Members in accordance with the Plan of Allocation which is also subject to Court approval.

The amount of each Class Member's actual compensation from the Net Settlement Amount will depend upon: (i) the number and the price of RDL shares purchased by the Class Member during the Class Period; (ii) when the Class Member sold the RDL shares purchased during the Class Period and the price at which such shares were sold; (iii) whether the Class Member continues to hold some or all of their RDL shares purchased during the Class Period; and (iv) the total number of claims for compensation filed with the Administrator and their value.

Copies of the Settlement and the proposed Plan of Allocation may be found at www.classaction.ca or by contacting Siskinds at the contact information provided below.

Participation in the Settlement May Affect Other Actions Commenced by Class Members

If the Court approves the Settlement, all Class Members will be bound by its terms, unless they exclude themselves from the Class ("opt out"). This means that if they do not opt out, they may participate in the Settlement by filing a proper claim but will not be able to bring or maintain any other claim or legal proceeding against the Defendants or any other person released by the Settlement in relation to the matters alleged in the class action. If the Settlement is approved, a notice containing a full explanation of Class Members' right to opt out will be published.

Class Members May Object to the Proposed Settlement

Class Members who wish to comment on or object to the Settlement should do so in writing. All objections should be received by Siskinds LLP (at the address listed below) no later than November 7, 2011 (14 days before the approval hearing). Siskinds will file all such submissions with the Court. You may attend and participate at the settlement hearing whether or not you deliver an objection.

A written objection should include: (i) the Class Member's name, address, telephone number, fax number (where applicable) and email address; (ii) a brief statement outlining the nature of, and reason for, the objection; and (iii); a statement as to whether the objector intends to appear at the Approval Motion in person or through a lawyer, and, if through a lawyer, the name, address, telephone number, fax number and email address of the lawyer.

Questions related to this Notice should NOT be addressed to the Ontario Superior Court of Justice. Instead, for further information, please contact:

Siskinds LLP

Nicole Young

680 Waterloo Street

London, ON N6A 3V8

Tel: 1-877-672-2121 x 2380

Email: nicole.young@siskinds.com

**ONTARIO
SUPERIOR COURT OF JUSTICE**

B E T W E E N :

NOR-DOR DEVELOPMENTS

Plaintiff

- and -

REDLINE COMMUNICATIONS GROUP INC.,
REDLINE COMMUNICATIONS, INC., THOMAS HEARNE
NANCY ORR, MAJED SIFRI, MAHESH VAIDYA,
PHILIPPE DE GASPÉ BEAUBIEN III, TIMOTHY DIBBLE
MIHNEA MOLDOVEANU, DAVID ANDREWS & KPMG LLP

Defendants

Proceeding under the *Class Proceedings Act, 1992*

PLAN OF ALLOCATION

(Supplement to the Settlement Agreement, dated September 6, 2011)

DEFINED TERMS

1. For the purposes of this Plan of Allocation, the definitions set out in the Settlement Agreement apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares;
 - (b) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (c) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Shares; provided, however, that with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by \$0.33 [being the 10 trading day volume weighted average trading price of Redline common shares on the TSX from March 15, 2010 to March 29, 2010 inclusive];

- (d) “**FIFO**” means the principle of first-in, first-out, wherein common shares are deemed to be sold in the same order that they were purchased (i.e. the first common shares purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held common shares of Redline at the commencement of the Class Period, that those common shares be deemed to have been sold completely before Eligible Shares are sold or deemed sold;
- (e) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense;
- (f) “**Net Settlement Amount**” means the Escrow Settlement Amount remaining after payment of Administration Expenses and Class Counsel Fees; and
- (g) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Amount is determined.

CALCULATION OF NET LOSS AND NOMINAL ENTITLEMENT

2. A Claimant must have sustained a Net Loss in order to be eligible to receive a payment from the Net Settlement Amount.
3. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss, they become an Authorized Claimant, and the Administrator will go on to calculate his/her/its Nominal Entitlement.
4. The Administrator will apply FIFO to distinguish the sale of Redline common shares held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of an Authorized Claimant’s Nominal Entitlement according to the formulas listed below.
5. The date of a purchase, sale or deemed disposition shall be the trade date, as opposed to the settlement date, of the transaction.

6. For the purposes of any calculation under the Plan of Allocation, the Administrator will account for any stock splits or consolidations that occur during and after the Class Period, such that Authorized Claimants' holdings for the purposes of the calculations are completed in units equivalent to those traded during the Class Period.
7. An Authorized Claimant's Nominal Entitlement will be calculated as follows:
 - I. No Nominal Entitlement shall be available for any Eligible Shares *disposed of* prior to the alleged corrective disclosure, that is, *prior to March 15, 2010*.**
 - II. For Eligible Shares *disposed of* during the 10 trading day period following the alleged corrective disclosure, that is, *on or between March 15, 2010 and March 29, 2010*, the Nominal Entitlement shall be:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).
 - III. For Eligible Shares *disposed of* after the 10 trading day period following the alleged corrective disclosure, that is, *on or after March 30, 2010*, the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and the price per share received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and
 - B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and \$0.33 [being the 10 trading day volume weighted average trading price of Redline common shares on the TSX from March 15, 2010 to March 29, 2010 inclusive].
 - IV. For Eligible Shares still held at the time the Claim Form is completed, the Nominal Entitlement shall be:**
 - A. an amount equal to the number of Eligible Shares still held, multiplied by the difference between the volume weighted average price paid for those Eligible Shares (including any commissions paid in respect thereof) and

\$0.33 [being the 10 trading day volume weighted average trading price of Redline common shares on the TSX from March 15, 2010 to March 29, 2010 inclusive].

8. In determining whether a Claimant sustained a Net Loss and calculating a Claimant's Nominal Entitlement, transactions in Eligible Shares in U.K. pounds sterling shall be converted to Canadian currency based on the Bank of Canada noon exchange rate between the Canadian dollar and the U.K. pound sterling on the date on which the Administrator calculates the Nominal Entitlements of Authorized Claimants. All Nominal Entitlements shall be recorded in Canadian currency.

FINAL DISTRIBUTION

9. Each Authorized Claimant's actual compensation shall be the portion of the Net Settlement Amount equivalent to the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount, as calculated by the Administrator.
10. Compensation shall be paid to Authorized Claimants in Canadian currency.

**NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL IN
REDLINE COMMUNICATIONS GROUP INC.
SECURITIES LITIGATION**

This notice is to all individuals and entities (other than Excluded Persons, as defined below), who purchased common stock of Redline Communications Group Inc., and Redline Communications, Inc., (the “Company” or “RDL”) traded on the AIM during the period from December 06, 2006 to and including January 2, 2009 and on the TSX on October 25, 2007 to March 15, 2010 (“Class Period”) and who held some or all of those shares on March 15, 2010.

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

COURT APPROVAL OF THE CLASS ACTION SETTLEMENT

In 2010, a class action was commenced in the Ontario Superior Court of Justice (the “Court”) against Redline (TSX. RDL) and certain of its current or former officers and directors, as well as KPMG LLP (the “Defendants”). By order issued on November 22, 2011 the Court certified the class action and approved the Settlement Agreement dated September 6, 2011 (the “Settlement”). The Settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

On November 22, 2011 the Court issued an order certifying the class action and approving the Settlement. The Court also awarded Class Counsel legal fees, expenses and applicable taxes in the amount of \$1,116,831.35 (“Class Counsel Fees”). Class Counsel were retained on a contingent basis such that they were only to be paid if they were successful in the litigation. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to Class Members. Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement (“Administration Expenses”), will also be paid from the Settlement Amount before it is distributed to Class Members.

A complete copy of the Settlement Agreement is available on the website of Class Counsel: www.classaction.ca.

ADMINISTRATOR

The Court has appointed NPT RicePoint Class Action Services (“NPT”) as the Administrator of this Settlement Agreement. The Administrator will, among other things: (i) receive and process the Claim Forms and requests to opt out; (ii) make determinations of Class Members’ eligibility for compensation pursuant to the Plan of Allocation; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Amount. The Administrator can be contacted at:

Telephone: **1-866-432-5534**

Mailing Address: **Redline Communications
Claims Administrator**

**P.O. Box 3355
London, ON N6A 4K3**

Website: **www.nptricepoint.com**

CLASS MEMBERS' ENTITLEMENT TO COMPENSATION

Class Members will be eligible for compensation pursuant to the Settlement Agreement if they sustained a Net Loss on their Class Period transactions and if they timely submit a complete Claim Form, including any supporting documentation with the Administrator. To be eligible for compensation under the Settlement Agreement, Class Members must submit their Claim Form postmarked no later than March 05, 2012, (the "Claims Bar Deadline").

"Excluded Persons" are not permitted to participate in the Settlement and include the Defendants, RDL's past or present parents, subsidiaries, affiliates, officers, directors, legal representatives, heirs, predecessors, successors and assigns, and any member of the individual Defendants' families and any entity in which any of them has or had a legal or *de facto* controlling interest.

The remainder of the Settlement Amount, after deduction of Class Counsel Fees and Administration Expenses (the "Net Settlement Amount") will be distributed to Class Members in accordance with the Plan of Allocation, which, in general terms, provides that:

- (a) in order to be eligible to receive compensation pursuant to the settlement, a Class Member must submit a Claim Form, including trading information that demonstrates that the Class Member sustained a Net Loss on their Class Period transactions, to the Administrator by the deadline for submission of claims (an "Authorized Claimant");
- (b) Each Authorized Claimant's *nominal* entitlement to compensation will be determined by application of the formulae outlined in the Plan of Allocation which take into account: (i) the number and the price of RDL's securities purchased by the Class Member during the Class Period ("Eligible Shares"); (ii) when the Class Member sold the RDL securities purchased during the Class Period and the price at which such securities were sold; and (iii) whether the Class Member continues to hold some or all of their RDL securities purchased during the Class Period.
- (c) Each Authorized Claimant's *actual* compensation shall be the portion of the Net Settlement Amount equivalent to the ratio of their Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount.

Any disputes arising from decisions of the Administrator may be appealed to the Court.

REQUESTING EXCLUSION FROM THE CLASS

All individuals and entities that fall within the definition of the Class will automatically be considered Class Members unless and until they exclude themselves from the Class ("opt out"). This means that Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants, or any other person released by the Settlement Agreement, in relation to the matters alleged in the class action.

If you do not want to be bound by the Settlement Agreement you must opt out. Please note, however, that by opting out you will also be barred from making a claim and receiving compensation from the Settlement Amount.

If you wish to opt out, you may do so by communicating all of the following information to the Administrator in writing: (i) your name, mailing address, and telephone number; (ii) the number of RDL common shares you purchased during the Class Period and held as of March 15, 2010, along with documents evidencing those transactions such as brokerage statements and/or trade confirmations; (iii) if you are filing the opt-out request on behalf of someone else, evidence that you are authorized to file documentation on behalf of the individual or entity on whose behalf you are filing the request; and (iv) a clear statement that you intend to opt out.

If you wish to opt out, you must submit your request and the required supporting information and documentation, listed above, to the Administrator, at the above-noted address, no later than February 06, 2012.

IMPORTANT DEADLINES

Opt-Out Deadline: February 06, 2012

Claims Bar Deadline: March 05, 2012

Request to opt out and/or Claim Forms will not be accepted after their respective deadlines. As a result, it is necessary that you act without delay.

CLASS COUNSEL

The law firm of *Siskinds* ^{LLP} are counsel to the Plaintiff in the class proceeding, and can be reached by telephone, toll free, at 1-800-461-6166 ext. 2380.

INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE