

**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](http://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* <sup>LLP</sup> 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