

## Redstone plc

### Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (the "**AGM**") of Redstone plc (the "**Company**") will be held at the offices of FinnCap, 60 New Broad Street, London EC2M 1JJ on 29 September 2011 at 10.30 a.m. for the following purposes:

#### Ordinary Business

To consider and, if thought fit, pass the following resolutions which will be proposed as ordinary resolutions:

1. **Report and accounts**

To receive the audited financial statements of the Company for the year ended 31 March 2011, together with the Director's Report, the Directors Remuneration Report and the auditor's report on those financial statements and that section of the Remuneration report subject to audit

2. **Director's Remuneration Report**

To approve the Directors' remuneration report in accordance with section 439 of the Companies Act 2006 (the "**Act**")

3. **Election of directors**

3.1 To elect Richard Ramsey, as a director who, having been appointed since the last Annual General Meeting, offers himself for re-election in accordance with the Company's articles of association.

3.2 To re-elect David Payne as a director who retires by rotation and offers himself for re-election in accordance with the Company's articles of association.

4. **Re-appointment of auditors**

To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before the Company.

5. **Auditors' remuneration**

To authorise the directors to determine the remuneration of the auditors.

#### Special Business

To consider and, if thought fit, pass the following resolutions of which 6, will be proposed as an ordinary resolution and 7 and 8 will be proposed as special resolutions.

6. **Directors' authority to allot shares**

That, in substitution for any equivalent authorities and powers granted to the directors prior to the passing of this resolution, the directors be and they are generally and unconditionally authorised pursuant to Section 551, Companies Act 2006 (the "**Act**") to exercise all powers of the Company to allot shares in the Company, and grant rights to subscribe for or to convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company being "**relevant securities**") up to an aggregate nominal amount of £957,524.27

provided that, unless previously revoked, varied or extended, this authority shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company, except that the Company may at any time 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 an offer or agreement as if this authority had not expired.

7. **Directors' power to issue shares for cash**

That the directors be and they are empowered pursuant to Section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) of the Company wholly for cash

pursuant to the authority of the directors under Section 551 of the Act conferred by resolution 4 above, and/or by way of a sale of treasury shares for cash (by virtue of Section 573 of the Act), in each case as if Section 561(1) of the Act did not apply to such allotment provided that:

- 7.1 the power conferred by this resolution shall be limited to:
- (a) the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities:
    - (i) in favour of holders of ordinary shares in the capital of the Company, where the equity securities respectively attributable to the interests of all such holders are proportionate (as nearly as practicable) to the respective number of ordinary shares in the capital of the Company held by them; and
    - (ii) to holders of any other equity securities as required by the rights of those securities or as the directors otherwise consider necessary,but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with treasury shares, fractional entitlements or legal, regulatory or practical problems arising under the laws or requirements of any overseas territory or by virtue of shares being represented by depository receipts or the requirements of any regulatory body or stock exchange or any other matter whatsoever; and
  - (b) in the case of the authority granted under resolution 6 and/or in the case of any sale of treasury shares for cash, the allotment, otherwise than pursuant to sub-paragraph (a) above, of equity securities or sale of treasury shares up to an aggregate nominal value equal to £143,628.64; and
- 7.2 unless previously revoked, varied or extended, this power shall expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company except that the Company may before the expiry of this power make an offer or agreement which would or might require equity securities to be allotted (and treasury shares to be sold) after such expiry and the directors may allot equity securities (and sell treasury shares) in pursuance of such an offer or agreement as if this power had not expired.

#### 8. **Authority to purchase shares (market purchases)**

That the Company be and is hereby unconditionally and generally authorised for the purposes of Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of its ordinary shares of 0.1p each ("**Ordinary Shares**") provided that:

- 8.1 the maximum number of Ordinary Shares authorised to be purchased is 287,257,281;
- 8.2 the minimum price which may be paid for any such Ordinary Share is 0.1p;
- 8.3 the maximum price which may be paid for an Ordinary Share shall be an amount equal to 105% of the average middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
- 8.4 this authority shall, unless previously renewed, revoked or varied, expire on the earlier of the date falling 18 months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting, but the Company may enter into a contract for the purchase of Ordinary Shares before the expiry of this authority which would or might be completed (wholly or partly) after its expiry.

*Dated: 07 September 2011*

*By order of the Board*

*Registered Office:*

*Building B – Office 10  
Kirtlington Business Centre  
Kirtlington  
Kidlington  
Oxfordshire OX5 3JA*

*Peter Hayes  
Company Secretary*

## Notes:

1. All members who hold ordinary shares are entitled to attend and vote at the meeting. Members who are entitled to attend and vote may appoint one or more proxies to attend and, on a poll, vote instead of him, and a proxy need not also be a member. A form of proxy accompanies this notice. If you do not intend being present at the meeting, please complete, sign and return the form of proxy so as to reach the Company's registrar, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, at least 48 hours before the meeting. The return by a member of a duly completed form of proxy will not preclude any such member from attending in person and voting at the meeting.
2. 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 at least 48 hours before the 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. 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 48 hours before the meeting.
3. The register of Directors' interests in the shares of the Company and copies of the Directors' service contracts, other than those expiring or determinable without payment of compensation within one year, are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this notice until the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.
4. The Company pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, specifies that only those shareholders registered in the register of members of the Company at 6.00 pm on 27 September 2011 shall be entitled to attend and vote at the aforesaid Annual General Meeting in respect of the number of shares registered in their name at that time. Any changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. In the case of joint holders, the signature of only one of the joint holders is required on the form of proxy, but the vote of the senior (by order in the register of members) who tenders a vote will be accepted to the exclusion of the others.

## ***Explanatory notes on certain business of the Annual General Meeting***

### **6. *Resolution 6 – Director's authority to allot shares***

This resolution grants the directors authority to allot shares in the capital of the Company and other relevant securities up to an aggregate nominal value of, £957,524.27 - this represents approximately one third of the fully diluted issued share capital of the Company following the allotment of shares approved at the GM on 9 August 2011.

There are no treasury shares in issue in the Company as at the date of this notice.

Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or the date falling 18 months from the passing of the resolution, whichever is the earlier.

### **7. *Resolution 7 – Director's power to issue shares for cash***

This resolution authorises the directors in certain circumstances to allot equity securities for cash other than in accordance with the statutory pre-emption rights (which require a company to offer all allotments for cash first to existing shareholders in proportion to their holdings). The relevant circumstances are either where the allotment takes place in connection with a rights issue or the allotment is limited to a maximum nominal amount of £143,628.64, representing approximately 5% of the nominal value of the issued ordinary share capital of the Company following the allotments of shares approved at the GM on 9 August 2011.

Unless revoked, varied or extended, this authority will expire at the conclusion of the next AGM of the Company or 18 months after the passing of the resolution, whichever is the earlier.

### ***Treasury shares regulations***

The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) ("Treasury Shares Regulations") give flexibility concerning what the Company can do with any of its ordinary shares that it may buy back. The Company may now hold such shares "in treasury" and then sell them at a later date for cash rather than simply cancelling them. The Treasury Shares Regulations require such sales to be on a pre-emptive, pro-rata basis to existing shareholders unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the directors power to allot unissued ordinary shares on a non pre-emptive basis, resolution 7 will also give directors power to sell ordinary shares held in treasury on a non- pre-emptive basis, subject always to the limitations noted above. The directors consider that the power proposed to be granted by resolution 7 is necessary to retain flexibility, although they do not have any intention at the present time of exercising such power.

#### **8. *Resolution 8 – Authority to purchase shares***

This resolution authorises the board to make market purchases of up to 287,257,281 ordinary shares representing approximately 10% of the nominal value of the issued ordinary share capital of the Company following the allotments of shares approved at the GM on 9 August 2011

Shares so purchased may be cancelled or held as treasury shares. The authority will expire at the end of the next Annual General Meeting of the Company or 18 months from the passing of the resolution, whichever is the earlier. The directors intend to seek renewal of this authority at subsequent Annual General Meetings.

The minimum price that can be paid for an ordinary share is 0.1p being the nominal value of an ordinary share. The maximum price that can be paid is 5% over the average of the middle market prices for an ordinary share, derived from the Daily Official List of the London Stock Exchange, for the five business days immediately before the day on which the share is contracted to be purchased.

The directors intend to exercise this right only when, in light of the market conditions prevailing at the time and taking into account all relevant factors (for example, the effect on earnings per share), they believe that such purchases are in the best interests of the Company and shareholders generally. The overall position of the Company will be taken into account before deciding upon this course of action. The decision as to whether any such shares bought back will be cancelled or held in treasury will be made by the directors on the same basis at the time of the purchase.

As at 25 August 2011, being the latest practicable date before publication of this notice, there were no warrants or options outstanding in respect of ordinary shares in the capital of the Company