



Notice of Annual General Meeting

Notice is given that the Annual General Meeting (**AGM**) of RedHill Education Limited (**Company**) will be held at Norton Rose, Level 18, Grosvenor Place, 225 George Street, Sydney, NSW 2000 on Tuesday 30 November 2010 at 10.00am, Sydney time.

Items of business

Item 1 will not be voted on. Item 2 will be proposed as an ordinary resolution. Item 3 will be proposed as a special resolution.

1) FINANCIAL STATEMENTS AND DIRECTORS' AND AUDITORS' REPORTS

To receive and consider the Financial Statements of the Company for the period ended 30 June 2010 together with the Directors' Report and the Auditors' Report.

2) RE-ELECTION OF DIRECTORS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

- 2.1) 'That William John Beerworth, who retires as a director of the Company in accordance with rule 79.2 of the Company's Constitution and being eligible, is re-elected as a director of the Company.'
- 2.2) 'That Bruce George Baird, who retires as a director of the Company in accordance with rule 79.2 of the Company's Constitution and being eligible, is re-elected as a director of the Company.'
- 2.3) 'That Henry William Walter Deane, who retires as a director of the Company in accordance with rule 79.2 of the Company's Constitution and being eligible, is re-elected as a director of the Company.'
- 2.4) 'That James William Hyndes, who retires as a director of the Company in accordance with rule 79.2 of the Company's Constitution and being eligible, is re-elected as a director of the Company.'
- 2.5) 'That Benjamin Joseph Lunn, who retires as a director of the Company in accordance with rule 79.2 of the Company's Constitution and being eligible, is re-elected as a director of the Company.'



3) REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, for the purposes of section 136(1) (b) of the Corporations Act 2001 (Cth), and for all other purposes, the Constitution comprising the document tabled at the meeting and signed by the Chairman of the meeting for the purposes of identification, be approved and adopted as the Constitution of the Company in substitution for and to the exclusion of the existing Constitution which is repealed in its entirety."

A handwritten signature in purple ink, appearing to read 'Mark Zworestine'. The signature is fluid and cursive, with the first name 'Mark' and last name 'Zworestine' clearly distinguishable.

By order of the board

Mark Zworestine
Company Secretary
29 October 2010

Voting

In accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**), the Company has determined that the shareholding of each person for the purpose of determining entitlements to attend and vote at the meeting will be the entitlement of that person set out in the Company's share register as at 7.00pm on Sunday 28 November 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Voting in person

A member that is an individual may attend and vote in person at the meeting. If you wish to attend the meeting, please bring the enclosed proxy form to the meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the meeting to facilitate this registration process.

A member that is a corporation may appoint an individual to act as its representative to vote at the meeting in accordance with section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry being Computershare Investor Services Pty Limited at Level 4, 60 Carrington Street, Sydney, New South Wales or at www.computershare.com.au.

Voting by proxy

A shareholder has the right to appoint a proxy, who need not be a shareholder of the Company. You should complete the proxy form if you do not wish to attend the meeting and wish to appoint a proxy to attend and vote on your behalf. If you intend to attend the meeting, you do not need to complete the proxy form. However, please bring the proxy form with you to the meeting to assist with your registration.

To be valid, the proxy form must be signed in accordance with the instructions set out on the proxy form and your proxy form (and any power of attorney under which it is signed) must be received by 10:00am, Sunday 28 November 2010. Your proxy form can be returned in the reply paid envelope provided, deposited at the share registry of the Company, hand delivered to Computershare Investor Services Pty Limited to Level 4, 60 Carrington Street, Sydney, New South Wales, or sent by facsimile on 1800 783 447 or +61 3 9473 2555. For custodians who are subscribers of Intermediary Online, please submit your votes electronically via www.intermediaryonline.com

You may still attend the meeting even if you have appointed a proxy. However, your proxy's authority is suspended in relation to any resolutions on which you choose to vote personally.

Appointing a second proxy

If you are entitled to 2 or more votes, you may appoint up to 2 persons to act as your proxy to attend and vote on your behalf. If you wish to do this you must use a separate proxy form in respect of each proxy and indicate the percentage of your voting rights or the number of shares that each proxy is appointed in respect of on the proxy forms. You should photocopy the enclosed proxy form or request an additional proxy form to be sent to you.



Directing your proxy how to vote

If you wish to direct your proxy how to vote on any or all of the resolutions, place a mark "X" in the "For", "Against" or "Abstain" box. If you do not direct your proxy how to vote, your proxy may vote as he, she or it sees fit. If you mark the abstain box, you are directing your proxy not to vote on your behalf in respect of that resolution and your votes will not be included on a show of hands or on a poll.

If you appoint the Chairperson of the meeting as your proxy, but do not give directions on how to vote on a particular resolution, the Chairperson will vote in favour of that resolution except in relation to any resolution where you have not marked the appropriate direction on the proxy form and the Chairperson is excluded from voting because he has an interest in the outcome of the resolution, in which case the Chairperson will not cast your vote on that resolution.

Questions from shareholders

About the management of the Company

The Chairperson of the meeting will allow a reasonable opportunity for members to ask questions or make comments on the management of the Company. If you would like to submit a question on these matters prior to the AGM for it to be addressed at the AGM, you may email your question to the Company Secretary at mzworestine@redhilleducation.com by no later than 5pm, Sydney time on 25 November 2010.

About the Auditors' Report and conduct of the audit

PricewaterhouseCoopers as the auditor responsible for preparing the Auditors' Report for the period ended 30 June 2010 will attend the meeting. The Chairperson of the meeting will allow a reasonable opportunity for the members as a whole to ask the auditor questions at the meeting about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

Shareholders may also submit written questions to PricewaterhouseCoopers to be answered at the meeting in relation to the content of the Auditors' Report or the conduct of the audit of the Company's financial statements for the period ended 30 June 2010.

Written questions of the auditor must be received no later than 5pm, Sydney time on 25 November 2010 and may be submitted in the reply paid envelope provided, deposited at the share registry of the Company, hand delivered to Computershare Investor Services Pty Limited to Level 4, 60 Carrington Street, Sydney, New South Wales, sent by facsimile +61 3 9473 2500 or emailed to the Company Secretary at mzworestine@redhilleducation.com. A list of qualifying questions will be made available to shareholders attending the meeting.

Explanatory Notes

These Explanatory Notes contain background material to assist shareholders in relation to the items of business to be considered at the meeting and in deciding how to vote on the resolutions set out in this Notice of Annual General Meeting.

Item 1 Financial and other reports

The Corporations Act requires the directors of the Company to lay before the AGM the Financial Statements, the Directors' Report and the Auditor's Report for the last financial year that ended before the AGM. These reports are contained in the Company's Special Purpose Annual Report for the year ended 30 June 2010 which has been released to ASX and is available from the Company's website www.redhilleducation.com.

Background information on the Special Purpose Annual Report

RedHill was incorporated as a proprietary company on 30 May 2006. It converted its status to that of an unlisted public company on 25 June 2010 as a precursor to listing on the Australian Securities Exchange on 21 September 2010.

The financial reporting requirements applicable to a company are assessed at its reporting date. At 30 June 2010, as an unlisted public company, RedHill was not a disclosing entity as defined in the Corporations Act, nor was it a reporting entity requiring the production of general purpose accounts as defined within the Accounting Standards. Therefore, a Special Purpose Annual Report, complying with the financial measurement and disclosure requirements of the Corporations Act relevant to the company, and audited by PricewaterhouseCoopers, was prepared for the year ended 30 June 2010. Disclosures required by a listed entity, such as a remuneration report and financial instruments disclosure, are therefore not included. Information regarding the remuneration of Directors and Senior Management was included in the Prospectus dated 24 August 2010.

RedHill has provided this Special Purpose Financial Report to shareholders for its first Annual General Meeting.

Shareholders will be provided with a reasonable opportunity to ask questions or make statements in relation to these reports but no formal resolution to adopt the reports will be put to shareholders at the meeting.

Item 2 Re-election of directors

Rule 79.2 of the Constitution provides that the first directors of the Company hold office until the termination of the first annual general meeting of the Company but, subject to the Constitution, are eligible for election at that annual general meeting.

- The Chairman of the board, William John Beerworth, is a non-executive director of the Company who is retiring in accordance with rule 79.2 of the Company's Constitution, and being eligible, offers himself for re-election.
- Bruce George Baird is a non-executive director of the Company who is retiring in accordance with rule 79.2 of the Company's Constitution, and being eligible, offers himself for re-election.

- Henry William Walter Deane, is an executive director who is retiring in accordance with rule 79.2 of the Company's Constitution, and being eligible, offers himself for re-election.
- James William Joseph Hyndes is a non-executive director who is retiring in accordance with rule 79.2 of the Company's Constitution, and being eligible, offers himself for re-election.
- Benjamin Joseph Lunn is an executive director who is retiring in accordance with rule 79.2 of the Company's Constitution, and being eligible, offers himself for re-election.

Profiles of the candidates are set out below. Separate resolutions will be put to the AGM in respect to the re-election of each candidate.

2.1) William John Beerworth - Non-executive Chairman

Before founding Beerworth and Partners Limited, Bill held a number of senior corporate positions including Executive Director of HSBC Australia Limited. He was a Senior Partner of Mallesons Stephen Jaques where he specialised in corporate law, particularly in mergers and acquisitions and IPOs. Bill was also Senior Assistant Secretary of the Australian Attorney-General's Department responsible for Corporate and Securities policy. Bill is Chairman of Beerworth and Partners Limited and Contango Capital Partners Limited. He was Chairman of Macquarie Graduate School of Management and was a member of the Financial System Inquiry (the Wallis Inquiry) on the restructure of the Australian financial system.

2.2) Bruce George Baird - Non-executive director

In 2009, Bruce was commissioned by the Federal Government to conduct a review of the ESOS Act and reported his findings to the Government with changes designed to ensure Australia continues to offer world class quality international education in this challenging and changing environment. Bruce is currently Chairman of the Tourism and Transport Forum Advisory Board and the Refugee Resettlement Advisory Council. He served in Federal Parliament from October 1998 until his retirement before the 2007 election. During this time Bruce was Chairman of the Joint Select Committee on Retailing, the Australian Crime Commission Committee, the Trade Sub-Committee, the Sport and The Arts Committee, the Friends of Tourism and the Parliamentary Christian Fellowship. He was Chairman of National Rail Corporation from 1997 to 1998, and was a Member of the NSW Legislative Assembly from 1984 to 1995. He was also Deputy Leader of the Liberal Party in NSW from 1992 to 1995.

2.3) Henry William Walter Deane - Non-executive Director

William is a co-founder of RedHill and was previously the acting CEO of RedHill. He is a founder and Director of Exto Partners Pty Ltd, a Sydney based investment company formed in 2003. William is a director of several of Exto Partners' investee companies and is experienced at building high growth companies. He has practised as a corporate lawyer in Australia with Blake Dawson and the United States with Skadden Arps and Sidley Austin. As a lawyer he focussed on equity capital markets (ASX, NASDAQ and NYSE) and mergers and acquisitions. He has been involved in transactions ranging from a few million to several billion dollars. William is admitted to practice law in Victoria, Australia and New York, USA and is a member of the Australian Institute of Company Directors.

2.4) James William Joseph Hyndes - Non-executive director

James is a co-founder of RedHill. He is a partner and founder of Redhill Partners, a Singapore based investment company. He was previously employed for a total of 15 years as Director at Goldmans Sachs, JP

Morgan and Macquarie in a number of senior roles focusing on equity markets. During that time he advised or assisted on a large number of IPOs on Asian and Australian securities exchanges. While employed by investment banks, James worked in Korea, Hong Kong and London and he is fluent in Korean.

2.5) Benjamin Joseph Lunn - Executive Director

Ben is the Principal of Greenwich and VP-Education of RedHill. He has spent the past 10 years working in the education sector, initially as an instructor then in operations, marketing and management. He spent four years teaching and managing in Japan before returning to Brisbane where he was a Business Development Manager at an emerging RTO, sourcing education business through Asia. Ben has also led a Teacher Training team while writing TESOL curriculum for accreditation. Ben has spent the past 3 years as the Marketing Manager and Principal of Greenwich. Under Ben's directorship sales at Greenwich increased more than 700 per cent over the last four years. He is also a registered IELTS Examiner.

Item 3 Replacement of the Constitution

It is proposed that the Constitution be repealed in its entirety and replaced with a new constitution, a copy of which is available for inspection at the Company's registered office or at www.redhilleducation.com or available upon request from the Company Secretary.

The Constitution was adopted on the Company's conversion to a public company on 25 June 2010. Since that date, various requirements under the Corporations Act and the ASX Listing Rules have been amended or deleted. As a result, parts of the Constitution are not entirely consistent with the new provisions of the Corporations Act or are otherwise out of date with the provisions of the ASX Listing Rules.

Under the Corporations Act, a company may elect to either amend parts of its constitution or replace the entire document. The directors believe that it is preferable in the circumstances to repeal the Constitution and replace it with a new constitution rather than to amend and insert a multitude of specific provisions.

A summary of the key differences between the old Constitution and the proposed new Constitution is set out below.

Source of dividends

Previously the Corporations Act provided that a Company could only declare and pay dividends out of its profits. The Corporations Act has recently been amended to replace the "profits test" with a new solvency-based test as set out in the new section 254T of the Corporations Act and which provides that a Company may not declare dividends unless:

- its assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the dividend payment;
- the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The new Constitution (ie. rules 133 – 145) brings the dividend rules of the Company in line with these recent amendments to the Corporations Act. Consequential amendments have also been made to other rules of the Constitution.

Business at an AGM – Questions of auditor

The old Constitution provided that if the auditor or the auditor's representative is available at an annual general meeting then the chair of the meeting must allow a reasonable opportunity for the members as a whole at the meeting to ask the auditor or that representative questions relevant to the conduct of the audit, the preparation and content of the auditor's report. The new Constitution brings this rule in line with section 250T of the Corporations Act by providing that shareholders may also ask questions at the AGM about the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor. The chair must also provide a reasonable opportunity for the auditor or their representative to answer written questions submitted to the auditor under section 250PA of the Corporations Act.

Retirement by rotation

A new rule 79.2 has been inserted to ensure that only one third of the directors are required to retire at each AGM, provided that no director may hold office for more than 3 years.

Casual vacancies and additional directors

Rule 82.1 provides that the Company in general meeting may by resolution and the directors may at any time appoint a person to be a director either to fill a casual vacancy or as an addition to the existing directors provided the total number of directors does not exceed the number set by the Constitution. Rule 82.2 provides that any director appointed under rule 82.1, holds office only until termination of the next annual general meeting and is eligible for re-election at the annual general meeting. The new Constitution provides that this will only apply to directors who have been appointed by directors under rule 82.1 and not those directors who have been appointed by the Company in general meeting under rule 82.1. This in line with replaceable rules 201G and 201H in the Corporations Act.

Effect of cessation of office as a director

Rule 128 provides that directors may, with the approval of the Company in general meeting, make payments to directors who cease to hold office in respect to past services. This rule has been updated to ensure that any payment is only made in compliance with parts 2D and 2E of the Corporations Act. In particular, rule 128.1 has been amended so payments made under this rule are at the discretion of the directors without recourse to a general meeting.