

# MILESTONE GROUP PLC

(registered in England and Wales with registered no: 4689130)

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the seventh Annual General Meeting of Milestone Group PLC (the "Company") will be held at the offices of Lawrence Graham LLP, 4 More London Riverside, London SE1 2AU, at 11.00 a.m. on 21 January 2010, at which the following resolutions will be proposed, in the case of resolutions 1 to 4 as ordinary resolutions and in the case of resolution 5 as a special resolution:

### ORDINARY RESOLUTIONS

#### As Ordinary Business:-

1. To receive the report of the directors and the financial statements of the Company for the year ended 30 September 2009.
2. To re-appoint BDO LLP as auditors of the Company to hold office until the conclusion of the next general meeting at which accounts are laid before the Company and that their remuneration be fixed by the directors.
3. To re-elect Guy Christopher van Zwanenberg as a director of the Company, who, having being appointed as a director since the last Annual General Meeting of the Company, is required to retire in accordance with Article 148 of the Company's Articles of Association and who, being eligible, offers himself for re-election.

### ANNUAL GENERAL MEETING

The special business to be proposed at the Annual General Meeting relates to the following matters:

#### Resolutions 4 and 5

As from 1 October 2009, sections 80 and 89 of the Companies Act 1985 were replaced by sections 551 and 561 of the Companies Act 2006 respectively. The current authority of the Directors to issue shares and allot shares on a non pre-emptive basis will expire at the Company's 2010 AGM. Therefore Resolutions 4 and 5, which are proposed as an Ordinary Resolution and a Special Resolution respectively, are to put in place the relevant authorities.

Resolution 4, which is proposed as an Ordinary Resolution, is to provide the Directors with authority to issue new ordinary shares up to an aggregate nominal value of £166,666.66. This authority will expire on the earlier of 31 March 2011 or the date of the next Annual General Meeting of the Company.

Resolution 5, which is proposed as a Special Resolution, is to approve a disapplication of statutory pre-emption rights in respect of the issue of new ordinary shares or sale of treasury shares for cash up to an aggregate nominal value of £166,666.66. This authority will expire on the earlier of 31 March 2011 or the date of the next Annual General Meeting of the Company.

#### As Special Business:-

### ORDINARY RESOLUTION

4. That, in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act"), to exercise all the powers of the Company to allot relevant securities (as defined below) up to an aggregate nominal amount of £166,666.66 provided that this authority shall expire on 31 March 2011 or, if earlier, on the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities (as so defined) to be allotted after such expiry and the Directors may allot relevant securities (as so defined) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

For the purposes of this resolution, "relevant securities" means:

- shares in the Company other than shares allotted pursuant to:
  - (a) an employee share scheme (as defined by section 1166 of the Act);
  - (b) a right to subscribe for shares in the Company where the grant of the right itself constituted a relevant security; or
  - (c) a right to convert securities into shares in the Company where the grant of the right itself constituted a relevant security.
- any right to subscribe for or to convert any security into shares in the Company other than rights to subscribe for or convert any security into shares allotted pursuant to an employee share scheme (as defined by section 1166 of the Act). References to the allotment of relevant securities in the resolution include the grant of such rights.

### SPECIAL RESOLUTIONS

5. That, subject to the passing of resolution 4 above and in substitution for all subsisting authorities to the extent unused, the Directors be and they are hereby empowered to allot or make offers or agreements to allot for equity securities (as defined in Section 560 of the Act) for cash either pursuant to the authority conferred by resolution 4 above or by way of a sale of treasury shares as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

- (a) the allotment or sale of equity securities in connection with an issue of shares to holders of relevant shares or relevant employee shares, or in connection with any other form of issue of such securities in which such holders are offered the right to participate, in proportion (as nearly as may be) to their respective holdings, but subject to such exclusions or other arrangements as the Directors consider necessary or expedient to deal with any fractional entitlements or any legal or practical problems under the laws of any territory or the requirements of any stock exchange or regulatory authority; and
- (b) the allotment or sale (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal amount of £166,666.66,

and this authority shall expire on 31 March 2011 or, if earlier, on the conclusion of the next Annual General Meeting of the Company save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

Registered Office:  
1st Floor  
2 Royal Exchange Steps  
The Royal Exchange  
London  
EC3V 3DG

By Order of the Board  
Graham Urquhart  
Secretary

Dated: 29 December 2009

Notes:

1. A member entitled to attend and vote at the above meeting convened by this notice is entitled to appoint one or more proxies to attend, speak and vote instead of him or her. A proxy need not be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the Form of Proxy are set out in the notes to the Form of Proxy. Completion and return of a form of proxy will not prevent a member from attending and voting in person if he or she so wishes.
2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact the Company's Registrars, Capita Registrars, on 0871 664 0300 (calls cost 10p per minute plus network charge, lines are open Mon – Fri 8.30am – 5.30pm) or you may photocopy the Form of Proxy.
3. A Form of Proxy is enclosed. To be effective, the Form of Proxy, together with any power of attorney or other written authority under which it is signed, or a notarially certified copy or a certified copy in accordance with the Powers of Attorney Act 1971 of such power or written authority must be completed signed and to be valid the proxy must be duly executed and deposited with the Company at the offices of the Company's registrars, Capita Registrars Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.
4. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, to be entitled to attend and vote at the meeting (and for the purposes of the determination by the Company of the number of votes they may cast), members must be entered on the Company's register of members at the close of business on 19 January 2010 or, in the event that the meeting is adjourned, on the Register of Members of the Company at close of business on the day two days prior to the adjourned meeting, and only such members shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to entries on the Register of Members after the close of business on 19 January 2010 or, in the event that the meeting is adjourned, after the close of business on the day two days prior to the adjourned meeting, shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
6. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy and would like to change the instructions using another hard-copy proxy form, please contact Capita Registrars. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
7. In order to revoke a proxy instruction you will need to inform the Company using one of the following method: By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Capita Registrars Proxies, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by Capita Registrars no later than 48 hours before the time fixed for the meeting (or adjournment thereof). If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.
8. CREST members who wish to appoint a proxy or proxies through CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST Members and CREST Members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them.
9. Copies of the service contracts and appointment letters of all the Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excepted) from the date of this document until the close of the Annual General Meeting, and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Meeting.