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Dear Shareholder,

Please accept this letter as notification that the Company's Annual Financial Report for the year ended 30 September 2017 and the Notice of the Annual General Meeting has now been published on the Company's website at www.milestonegroup.co.uk/investors/financial-reports.

Please find enclosed the Notice of the annual general meeting to be held at 11.00 a.m. on 23 March 2018 ("AGM") and a green Proxy card for use at the AGM.

The Directors consider that the proposed resolutions contained in the Notice of AGM are in the best interests of the Company and shareholders as a whole and unanimously recommend that you vote in favour of them, as they intend to do in respect of their own shareholdings.

We would therefore ask that you **complete and return the green Proxy card** as soon as possible even if you intend to attend the AGM. Alternatively, proxies can be submitted via the Registrars' website at www.signalshares.com. To provide clarification on the resolutions, we have included some explanatory notes for your assistance.

To further reduce the environmental impact, we will be removing paper from the voting process for future meetings in favour of a quicker and more secure method of voting online via our registrars' website. You can however request a paper proxy if you wish from our registrars at the appropriate time.

We are keen to keep you up to date with ongoing Company developments and the most effective way for us to do this is electronically, however we need your permission to communicate with you in this way. If you would like to receive general communications from the Company via e-mail rather than post in the future, please register your e-mail address at www.signalshares.com.

Yours Sincerely

Anthony Sanders
Interim Chief Executive

Explanatory notes to the resolutions

Resolution 1 – Annual Report and Accounts

The Directors are required to present to the AGM for approval the accounts and the report of the Directors for the financial year ended 30 September 2017.

Resolution 2 – The Auditors

Shareholders are asked every year to approve the re-appointment of the Company's auditors, Nexia Smith & Williamson Audit Ltd, and agree that the Directors may approve their remuneration.

Resolution 3 & 4 – Re-election of Directors

Edward Guy Meyer, who has been appointed by the Board since the last AGM, is retiring under Article 148 of the Company's Articles of Association, will be standing for re-election.

Kevin Everett, who retire by rotation in accordance with Article 142 of the Company's Articles of Association, will be standing for re-election.

Biographies of all the Directors appear in the Annual Report and Accounts.

Resolutions 5 & 6 – Authority to allot shares and disapplication of pre-emption rights

The Company's Directors may allot relevant securities only if authorised to do so by shareholders. The authorities granted at the last general meeting are due to expire at this year's AGM.

Accordingly Resolution 5 will be proposed as an ordinary resolution to grant the Directors a general authority, in accordance with section 551 of the Companies Act 2006, to allot shares in the Company or grant rights to subscribe for or to convert any securities into shares up to an aggregate nominal amount of £900,000.

Resolution 6 will be proposed as a special resolution to authorise the Directors to allot equity securities for cash or sell equity securities out of treasury for cash (otherwise than *pro rata* to existing shareholdings) (i) in connection with an offer by way of rights which is made not strictly in accordance with section 561 of the Companies Act 2006, or (ii) otherwise up to an aggregate nominal amount of £900,000. The resolution will enable the Directors, at their discretion, to allot a limited number of equity securities for cash on a non pre-emptive basis and provide the Directors with greater flexibility to take advantage of business opportunities as they arise.

If passed, these authorities will expire at the conclusion of the next annual general meeting of the Company to be held in 2019 (or, if earlier, on 31 March 2019).

Resolution 7

Following the strategic review of the business, the Directors are proposing to change the name of Company and are asking for Shareholder approval of this change. This marks the start of a new phase in the Group's development.

Resolution 8

The Company's Directors are requesting an amendment to the Articles of Association to allow the Company to hold its own shares in Treasury.