

DATED 28 May 1999

GROUP REORGANISATION AGREEMENT

Milner Estates plc	(1)
Milner Group Properties Limited	(2)
Milner Consultancies Limited	(3)
Milner (SMH) Limited	(4)
C R Estates (No 3) Limited	(5)



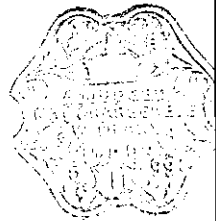
S J Berwin & Co

DATE

28 May 1999

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**PARTIES**

- (1) Milner Estates plc, a company incorporated in England and Wales whose registered number is 2059176 and whose registered office is at 14 Manchester Square London W1A 1BA ("the Vendor")
- (2) Milner Group Properties Limited, a company incorporated in England and Wales whose registered number is 3470364 and whose registered office is at Nations House 103 Wigmore Street London W1H 0AA ("Properties")
- (3) Milner Consultancies Limited, a company incorporated in England and Wales whose registered number is 3780584 and whose registered office is at Manchester Square aforesaid ("Consultancies")
- (4) Milner (SMH) Limited, a company incorporated in England and Wales whose registered number is 3753973 and whose registered office is at Nations House aforesaid ("SMH")
- (5) CR Estates (No 3) Limited, a company incorporated in England and Wales whose registered number is 3311741 and whose registered office is at Nations House aforesaid ("Estates")

INTRODUCTION

- (A) The Vendor is the parent company of both Properties and Consultancies and the ultimate holding company of the Property Companies, the Consultancy Companies, SMH and Estates.
- (B) This Agreement is entered into in order to reorganise the ownership structure within the Milner Group.

OPERATIVE PROVISIONS

1 Definitions

1.1 In this Agreement, unless the context so requires, the following expressions shall bear the following respective meanings:

the Companies	Properties and Consultancies;
the Consultancy Companies	those companies details of which are set out in Schedule 2;
the Consultancy Consideration Shares	the shares to be issued by Consultancies to the Vendor as consideration for the Consultancy Shares;
the Consultancy Shares	the respective issued share capitals of the Consultancy Companies as set in Schedule 2;
the Milner Group	the companies of which the Vendor is the holding or ultimate holding company;
the Property Companies	those companies details of which are set out in Schedule 1;
the Property Consideration Shares	the shares to be issued by Properties to the Vendor as consideration for the Property Shares;
the Property Shares	the respective issued share capitals of the Property Companies as set out in Schedule 1;
the SMH Consideration	the amount payable by SMH to the Vendor as consideration for the SMH Property;
the SMH Property	St Michael's House 1 George Yard London EC3;
the WGS Consideration	the amount payable by Estates to the Vendor as consideration for the WGS Property; and

the WGS Property

91 & 93 West George Street Glasgow.

- 1.2 References in this Agreement to the Introduction, the Parties, Clauses and Schedules are respectively references to the Introduction, the Parties, Clauses and Schedules of and to this Agreement.

2 Sale and Purchase of the SMH and WGS Properties

- 2.1 The Vendor hereby sells with full title guarantee and SMH hereby purchases the SMH Property with immediate effect.
- 2.2 The Vendor hereby sells with full title guarantee and Estates hereby purchases the WGS Property with immediate effect.

3 Sale and Purchase of the Shares

The sales and purchases set forth in Clause 2 having been effected:

- (a) the Vendor hereby sells with full title guarantee and Properties hereby purchases the Property Shares with immediate effect free from all options, liens, charges and other encumbrances and with all rights attaching thereto; and
- (b) the Vendor hereby sells with full title guarantee and Consultancies hereby purchases the Consultancy Shares with immediate effect free from all options, liens, charges and other encumbrances and with all rights attaching thereto.

4 Completion

- 4.1 Completion of the sale and purchase of the SMH Property, the WGS Property, the Property Shares and the Consultancy Shares shall take place on 31 July 1999, or such later date as may prior thereto be determined by the Vendor, at such place as may be determined by the Vendor, when the Vendor shall deliver or ensure delivery to the appropriate recipient of the following documents:

- (a) a written certificate produced and signed by Baker Tilly setting out:

- (i) the SMH Consideration;
 - (ii) the WGS Consideration;
 - (iii) the number of Property Consideration Shares to be issued by Properties to the Vendor in respect of the Property Shares; and
 - (iv) the number of Consultancy Consideration Shares to be issued by Consultancies to the Vendor in respect of the Consultancy Shares;
- (b) share certificates and executed transfers of the Property Shares and Consultancy Shares (which for the avoidance of doubt shall consist of separate share certificates and executed transfers for the shares in each of the Companies and, where there are separate classes of share in any Company, separate share certificates and executed transfers in respect of those classes of shares) in favour of Properties and Consultancies respectively;
- (c) the Land Registry Certificate, all other title documents and a duly executed Transfer relating to the SMH Property; and
- (d) all title documents relating to, and a duly executed discharge of standard security and disposition to transfer the heritable interest in, the WGS Property.

4.2 When the Vendor has complied with the terms of Clause 4.1, Properties shall allot the Property Consideration Shares, and Consultancies shall allot the Consultancy Consideration Shares, to the Vendor. Each of Properties and Consultancies shall issue share certificates in respect of the Property Consideration Shares and Consultancy Consideration Shares respectively to the Vendor, and procure that the Vendor is entered in its register of members in respect of the Property Consideration Shares and Consultancy Consideration Shares respectively.

4.3 The SMH Consideration, and the WGS Consideration, shall remain outstanding on inter-company loan account without security or interest.

4.4 Upon completion, the Vendor shall enter into a joint election in accordance with Sections 59B and 59C of the Capital Allowances Act 1990:

(a) with SMH in relation to the SMH Property; and

(b) with Estates in relation to the WGS Property;

in such forms as shall be determined by the Vendor.

5 Proper Law

5.1 This Agreement is governed by and is to be construed in accordance with the laws of England.

5.2 The Parties hereto irrevocably submit for the benefit of each of the others to the exclusive jurisdiction of the courts of England in relation to all matters, disputes or disagreements arising from or in relation to this Agreement.

6 Further Assurance

6.1 The Vendor shall execute all such documents and do all such things as may reasonably be required by Properties and/or Consultancies for securing to or vesting in Properties and Consultancies respectively the legal and beneficial ownership of the Property Shares and the Consultancy Shares.

6.2 The Vendor shall execute all such documents and do all such things as may reasonably be required by SMH and/or Estates for securing to or vesting in SMH and Estates respectively the legal and beneficial title to the SMH Property and the WGS Property.

SCHEDULE 1

Details of the Property Companies

Aridgrove Limited

Number	02946410
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

CR Estates Limited

Number	03068554
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

CR Estates (No 2) Limited

Number	03223119
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

CR Estates (No 3) Limited

Number	03311741
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

Five Oaks Investments Plc

Number	00051462
Status	Public company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	102,828,777 Ordinary Shares of 5p each
	15,612 First Cumulative Preference Shares of £1 each
	150,000 Second Cumulative Preference Shares of £1 each
Authorised Share Capital	134,000,000 Ordinary Shares of 5p each
	20,000 4.9% First Cumulative Preference Shares of £1 each
	150,000 4.9% Second Cumulative Preference Shares
Shareholder	Milner Estates Plc

16-20 Manchester Square Limited

Number	03335218
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£100
Shareholder	Milner Estates Plc

Manchester Square Estates (London) Limited

Number	03124509
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

Manchester Square Estates Limited

Number	2065666
Status	Private limited company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£100
Shareholder	Milner Estates Plc

Speciality Shops Plc

Number	1926825
Status	Public company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	22,822,000 Ordinary Shares of £1 each
Authorised Share Capital	£32,830,439
Shareholder	Milner Estates Plc

Milner (SMH) Limited

Number	3753973
Status	Private company
Registered Office	Nations House 103 Wigmore Street London W1H 0AA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

SCHEDULE 2

Details of the Consultancy Companies

Colliers Erdman Lewis Limited

Number	3099033
Status	Private company
Registered Office	9 Marylebone Lane London W1M 6HL
Issued Share Capital	2,000,000 Ordinary Shares of £1 each
Authorised Share Capital	£2,000,000
Shareholder	Milner Estates Plc

Conrad Ritblat & Co Limited

Number	2647737
Status	Private company
Registered Office	14 Manchester Square London W1A 1BA
Issued Share Capital	2,000,500 Ordinary Shares of £1 each
Authorised Share Capital	5,000,000
Shareholder	Milner Estates Plc

Conrad Ritblat Leisure Limited

Number	2703641
Status	Private company
Registered Office	14 Manchester Square London W1A 1BA
Issued Share Capital	100 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

Flatbonus Limited

Number	3110342
Status	Private company
Registered Office	14 Manchester Square London W1A 1BA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

Sinclair Goldsmith Rating Services Limited

Number	2077720
Status	Private company
Registered Office	14 Manchester Square London W1A 1BA
Issued Share Capital	2 Ordinary Shares of £1 each
Authorised Share Capital	£100,000
Shareholder	Milner Estates Plc

Sinclair Goldsmith (UK) Limited

Number	2259988
Status	Private company
Registered Office	14 Manchester Square, London W1A 1BA
Issued Share Capital	1,000 Ordinary Shares of £1 each
Authorised Share Capital	£1,000
Shareholder	Milner Estates Plc

ATTESTATIONS

MILNER ESTATES PLC

By: *Thomas P. Tidy*

MILNER GROUP PROPERTIES LIMITED

By: *Thomas P. Tidy*

MILNER CONSULTANCIES LIMITED

By: *Thomas P. Tidy*

MILNER (SMH) LIMITED

By: *Thomas P. Tidy*

CR ESTATES (NO 3) LIMITED

By: *Thomas P. Tidy*