

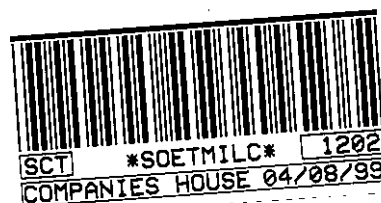
CERTIFIED TRUE COPY

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AGREEMENT
between
THOMSON RODDICK & MEDCALF LIMITED
and
MARK RICHARD MEDCALF

1999
JNK.PAM

ANDERSON STRATHERN, W.S.,
48 Castle Street,
Edinburgh
FAS0208JK



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AGREEMENT

between



THOMSON RODDICK & MEDCALF LIMITED, a Company incorporated under the Companies Acts with Registered Number SC 194348 and having its Registered Office at 48 Castle Street, Edinburgh EH2 3LX ("the Company")

and



MARK RICHARD MEDCALF, of West Mill House, Colinton, Edinburgh EH13 ONZ ("Mr Medcalf")

WHEREAS:-

- (A) Mr Medcalf trades as "Mark Medcalf Associates" and carries on the business of furniture and fine art auctioneer and valuer.
- (B) The Company has been formed to carry out similar businesses as inter alia Mr Medcalf and Mr Medcalf wishes to sell the goodwill of part of Mark Medcalf Associates to the Company in consideration of the allotment of shares in the Company

NOW THEREFORE it is HEREBY AGREED as follows:-

1. Definitions and Interpretation

- 1.1 In this Agreement and in the Schedule hereto, unless the context otherwise requires, the following expressions shall have the meanings respectively ascribed to them :-

"the Business"

means the furniture and fine art auctioneering and valuation business carried on by Mr Medcalf trading as Mark Medcalf Associates;

"Completion"

means completion of the sale and purchase of goodwill pursuant to this Agreement;

"Completion Date"	means close of business on 5 th April 1999 notwithstanding the date or dates hereof;
"the Goodwill"	means the goodwill of the Business, the exclusive right to the customer lists of the Business, the exclusive right for the Company to represent itself as successor to the Business and the Intellectual Property Rights, including without prejudice to the generality of the foregoing, the right to incorporate the name "Medcalf" in the name of the Company;
"Intellectual Property Rights"	means all intellectual property rights of Mr Medcalf including the patents, trade marks, registered designs and copyrights in any part of the world and the copyright in all drawings, plans, specifications, designs and computer software owned by Mr Medcalf and exclusively used in or for the purposes of the Business (excepting any intellectual property rights in the name "Mark Medcalf Associates") and all know-how and confidential information so owned and used.
"Shareholders Agreement"	means the Shareholders Agreement among Thomson Roddick & Laurie Limited, Mr Medcalf, Sybelle Margery Fair Medcalf, Martin John

Ramsay Cornish and the Company dated of
even date with these presents;

"the Vehicle" means the Rover 400 registration number P339
EOH.

- 1.2 Reference to any Act shall be deemed to include any statutory modification or re-enactment thereof or any rules or regulations made thereunder or any enactment repealed or replaced by the Act referred to.
- 1.3 Words importing the singular number only shall include the plural, number and vice versa; words importing any particular gender only shall include all genders; and words importing persons shall include firms and companies.
- 1.4 Reference to a Clause or to the Schedule shall, unless otherwise provided, be deemed to be references to a Clause or to the Schedule of this Agreement.

2. Sale of Goodwill

- 2.1 In exchange for the consideration specified in Clause 3 Mr Medcalf sells to the Company as from the Completion Date the Goodwill. Notwithstanding the foregoing he shall be entitled to use the name "Mark Medcalf Associates" but not in such a way as might cast doubt upon ownership of or may in any way prejudice the Goodwill hereby acquired by the Company
- 2.2 Save as expressly contained herein, it is hereby agreed that there shall not be transferred to the Company and the Company shall have no obligation or responsibility hereunder in respect of any of the liabilities or creditors (in each case whether existing prior to or following the Completion Date) of Mr Medcalf (save in his role as director and employee of the Company) which shall be discharged when due by Mr Medcalf and Mr Medcalf shall

indemnify and keep indemnified the Company on demand from and against all such liabilities and any claims, demands, or actions raised by any creditor including all costs and expenses incurred by the Company in connection therewith.

- 2.3 Without prejudice to the generality of Clause 2.2, Mr Medcalf shall remain liable for claims by third parties in respect of any service provided by him and/or any of his employees and/or consultants or any act or omission of any of them relating to the Business prior to the Completion Date. Upon becoming aware of any such claim Mr Medcalf shall promptly give notice of it to the Company and shall not take any steps which might reasonably be expected to damage the commercial interests of the Company without prior consultation with the Company. The liability of Mr Medcalf under this Clause shall extend to any settlement of a claim (including costs) made with his approval.
- 2.4 The parties hereto agree and acknowledge that the sale of the Goodwill hereunder is a "relevant transfer" within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("the Regulations"). Mr Medcalf hereby undertakes to indemnify and keep indemnified the Company on demand against any liability including costs and expenses which relates to or arises out of any act or omission (including, without prejudice to the foregoing generality, negligence) by Mr Medcalf or any other event or occurrence prior to the Completion Date for which the Company is or becomes liable by reason of the operation of the Regulations and/or any judicial decision interpreting the same or incurred by the Company arising out of any breach on the part of Mr Medcalf of any

of the terms and conditions of the employees specified in Part 2 of the Schedule arising or accrued at any time prior to the Completion Date, provided that the Company shall use its reasonable endeavours to minimise the amount of any such liability.

- 2.5 All salaries and other emoluments, including holiday pay, tax and national insurance payments relating to the employees specified in Part 2 of the Schedule shall be borne by Mr Medcalf up to the Completion Date and all necessary apportionments shall be made
- 2.6 Mr Medcalf acknowledges that he has no right to object to the incorporation of the word "Medcalf" in the name of the Company notwithstanding that he may cease to be a shareholder of the Company.

3. Consideration and Completion

- 3.1 In consideration of the sale of the Goodwill pursuant to Clause 2 the Company agrees to allot to Mr Medcalf fully paid at par Thirty thousand (30,000) ordinary shares of £1 each in the Company. Completion shall take place as provided for in Clause 3.2 to 3.4 inclusive and in the Shareholders Agreement.
- 3.2 As at Completion, Mr Medcalf shall deliver to the Company:
- (a) such documents as are required to complete the sale and purchase of the Goodwill and vest title to the Goodwill in the Company, including (but not without limitation) assignments of the Intellectual Property Rights; and
 - (b) information relating to customers and suppliers, relevant computer programmes and other books and documents which relate solely to the Business.

3.3 Upon delivery of the matters referred to in Clause 3.2, the Company shall allot the shares referred to in Clauses 3.1.

3.4 If for any reason the provisions of Clause 3.2 are not fully complied with, the Company shall be entitled to elect to rescind this Agreement without prejudice to any other remedy it may have.

4. Business failure

In the event that the Company prior to 6th April 2001 ceases to trade or becomes insolvent (as evidenced by the appointment of a Liquidator or Provisional Liquidator, Receiver, Administrator or Judicial Factor to the Company or any part of its property or undertaking) the Company and Mr Medcalf agree that forthwith the goodwill transferred to the Company by virtue of this Agreement shall re-transfer to Mr Medcalf without further action (insofar as capable of being so transferred) and Mr Medcalf shall be entitled to trade without restriction.

5. Insurance

Mr Medcalf shall maintain all necessary run off professional indemnity insurance in respect of the acts or omissions of the Business prior to Completion unless such cover can be arranged in the name of the Company as purchaser hereunder. The cost of any premium shall be borne by the Company

6. The Vehicle

Mr Medcalf transfers to the Company as at Completion his whole right title and interest in and to the Vehicle for a consideration of Three Thousand four hundred and twenty four pounds (£3,424) payable on transfer of title of the Vehicle to the Company together with the assumption by the Company

of outstanding payments due to Adam & Co in respect of a term loan in the name of Mr Medcalf relative to the Vehicle, the outstanding balance of which is Three thousand seven hundred and twenty six pounds (£3,726). Mr Medcalf will take whatever reasonable action the Company requests to ensure title to the Vehicle transfer to the Company along with any guarantee, maintenance contracts and others.

7. Warranties

Mr Medcalf represents and warrants to the Company the Warranties specified in Part I of the Schedule.

8. Post Completion Matters

8.1 Mr Medcalf shall take all necessary steps and co-operate fully with the Company to ensure that it obtains the full benefit of the Business and the Goodwill and shall execute such documents and take such other steps (or procure other necessary parties so to do) as are necessary or appropriate for vesting in the Company all his rights and interests in the Business and the Goodwill.

8.2 All rents, rates, gas, water, electricity and telephone charges and other outgoings relating to or payable in respect of the Business up to the Completion Date shall be borne by Mr Medcalf and as from the Completion Date shall be borne by the Company and all rents, royalties and other periodical payments receivable in respect of the Business up to that time shall belong to and be payable to Mr Medcalf and as from that time shall belong to and be payable to the Company. Such outgoings and payments receivable shall if necessary be apportioned accordingly.

- 8.3 Where any amounts fall to be apportioned under this Agreement, Mr Medcalf shall provide the Company with full details of the apportionments, together with supporting vouchers or similar documentation, and in the absence of dispute the appropriate payment shall be made by or to Mr Medcalf forthwith. If the amount of any apportionment is in dispute, the provisions of Clause 8.4 shall apply. The amount determined in accordance with that Clause shall be paid within 14 days of the determination.
- 8.4 Any dispute with respect to any amounts which fall to be apportioned under this Agreement shall be referred for final settlement to a firm of Chartered Accountants nominated jointly by Mr Medcalf and the Company or, failing such nomination within 14 days, nominated at the request of either of them by the President for the time being of the Institute of Chartered Accountants of Scotland. In making their determination, the accountants shall act as experts and not as arbiters, their decision shall be final and binding on the parties and their fee shall be borne and paid by Mr Medcalf and the Company in such proportions as the accountants determine.
- 8.5 Mr Medcalf shall make available for inspection by the Company all books of account, income records, employee records, value added tax records and any other books and documents which are relative to the Business prior to Completion.
- 8.6 Mr Medcalf shall, following Completion, promptly refer to the Company all enquiries relating to the Business and shall refrain from doing anything or omitting to do anything which may prejudicially affect the Goodwill."

9. Costs

Each party shall bear their own costs in connection with this Agreement.


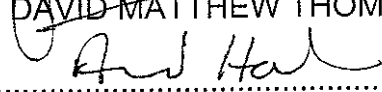
10. Law

This Agreement shall be governed by and construed in accordance with


Scots Law: IN WITNESS WHEREOF these presents typewritten on this

and the eight preceding pages are subscribed as follows:-

SIGNED by THOMSON RODDICK & MEDCALF LIMITED
at Edinburgh
on 10 May 1999

by  Director
JOHN DAVID MATTHEW THOMSON
and  Secretaries
ANDERSON STRATHERN WS

Signed by MARK RICHARD MEDCALF


at Edinburgh
on 10 May 1999 before me

Witness

Signature




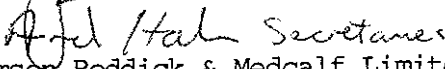
Full Name in
block capitals

JOHN NEILSON KERR

Address

48 Castle Street
Edinburgh

The parties certify that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds Two hundred and fifty thousand pounds.



Thomson Roddick & Medcalf Limited


Mark Richard Medcalf

This is the SCHEDULE referred to in the foregoing AGREEMENT between THOMSON RODDICK & MEDCALF LIMITED and MARK RICHARD MEDCALF dated 10 May 1999

SCHEDULE

Part 1

Warranties

1. Mr Medcalf has sole right to the Goodwill and is able to transfer the same pursuant to this Agreement free of any security, liens or encumbrance;
2. There is no agreement or commitment to give or create any option, security, lien or encumbrance over the Goodwill.
3. So far as Mr Medcalf is aware, neither he nor any of his employees and/or consultants have done or omitted to do anything which might prejudicially affect the Goodwill.
4. So far as Mr Medcalf is aware, no customer of the Business has, in the past 2 years, terminated or materially reduced or will (as a result of the acquisition of the Business by the Company or for any other reason) terminate or materially reduce its relationship with the Business.
5. Mr Medcalf uses no name for any purpose in connection with the Business other than "Mark Medcalf Associates"
6. Mr Medcalf has not (except in the normal course of business) disclosed or permitted to be disclosed or undertaken or arranged to disclose to any person other than the Company any of the know-how, trade secrets, confidential information, price lists or lists of customers or suppliers relating to the Business.
7. No party will at the Completion Date have levied any distress or due diligence against any asset used in the Business;

8. The only employees of the Business are those whose details are specified in Part 2 of the Schedule, which details are accurate in all material respects and summarise the material terms and conditions upon which the employees are employed;
9. There are no schemes in operation in relation to the Business whereunder any of the employees specified in Part 2 of the Schedule is entitled to a commission or remuneration of any sort calculated by reference to the whole or part of the turnover, profits or sale of the Business.
10. No negotiations for any increase in the remuneration or benefits of any of the employees specified in Part 2 of the Schedule are current or likely within a period of 6 months after the Completion Date.
11. None of the employees specified in Part 2 of the Schedule is involved in any industrial dispute and, so far as Mr Medcalf is aware, there are no circumstances which may result in any industrial dispute involving such employees and Mr Medcalf has complied with his duty to inform and consult pursuant to the Regulations.
12. Mr Medcalf has not entered into any recognition agreement with a trade union nor have they done any act which might be construed as recognition.
13. None of the employees listed in Part 2 of the Schedule has given or received notice terminating his/her employment.
14. Mr Medcalf is not under any legal or moral liability or obligation or *ex-gratia* arrangement or promise to pay pensions, gratuities, superannuation allowances or the like to any of the employees listed in Part 2 of the Schedule.

15. Mr Medcalf is not engaged relative to the Business in any litigation, arbitration, prosecution or other legal proceedings, and no such proceedings are pending or threatened either by or against Mr Medcalf and there are no facts which are likely to give rise to such proceedings;
16. There have been no investigations, enquiries or other proceedings made in respect of the Business so far as Mr Medcalf is aware;
17. Mr Medcalf is not in connection with the Business a party to any contract with third parties not of an arm's length nature or entered into outwith the ordinary course of business;
18. Mr Medcalf has the exclusive right so far as Mr Medcalf is aware to use the name Mark Medcalf Associates and this right has not been challenged by a third party.
19. Mr Medcalf has maintained proper professional indemnity and public liability insurance in connection with the Business, and, so far as Mr Medcalf is aware, nothing has been done or omitted to be done which could make any such policies of insurance void or voidable.
20. The balance outstanding to Adam & Co in respect of the term loan relative to the Vehicle as at Completion is £3,726.

SCHEDULE

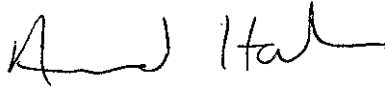
Part 2

Employees

<u>Name</u>	<u>Job Description</u>	<u>Date of Commencement</u>	<u>Date of Birth</u>	<u>Remuneration</u>	<u>Notice</u>
Gillian Townsend					
Elizabeth Sharwood Smith	Operates as Self employed Consultant				

John Thomas
Ad Hall
[Signature]

CERTIFIED TRUE COPY



AGREEMENT
between
THOMSON RODDICK & MEDCALF LIMITED
and
THOMSON RODDICK & LAURIE LIMITED
and
SYBELLE MARGERY FAIR MEDCALF

1999
JNK.PAM

ANDERSON STRATHERN, W.S.,
48 Castle Street,
Edinburgh
FAS0208JK

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AGREEMENT

between

THOMSON RODDICK & MEDCALF LIMITED, a Company incorporated under the Companies Acts with Registered Number SC 194348 and having its Registered Office at 48 Castle Street, Edinburgh EH2 3LX ("the Company")

and

THOMSON RODDICK & LAURIE LIMITED, a company incorporated under the Companies Acts with Registered Number SC 28073 and having its Registered Office at 20 Murray Street, Annan Dumfriesshire DG12 6EG (TR&L)

and

SYBELLE MARGERY FAIR MEDCALF, of West Mill House, Colinton, Edinburgh EH3 ONZ ("Mrs Medcalf")

WHEREAS:-

- (A) TR&L inter alia carry on the business of fine art and chattels auctioneers and valuers.
- (B) The Company has been formed to carry out similar businesses as inter alia certain of the business of TR&L and TR&L wish to sell the goodwill of part of TR&L to the Company in consideration of the allotment of shares in the Company.
- (C) TR&L acknowledges that Mrs Medcalf has an interest equating to £10,000 in that part of TR&L's business which TR&L has agreed to sell to the Company and Mrs Medcalf wishes to sell such interest to the Company in consideration of the allotment of shares in the Company.

NOW THEREFORE it is HEREBY AGREED as follows:-

1. Definitions and Interpretation

1.1 In this Agreement and in the Schedule hereto, unless the context otherwise requires, the following expressions shall have the meanings respectively ascribed to them :-

- "the Assets" means those assets specified in Part 3 of the Schedule;
- "the Business" means the fine art and chattels auctioneering and valuation business carried on by TR&L in Scotland;
- "Completion" means completion of the sale and purchase of goodwill and assets pursuant to this Agreement;
- "Completion Date" means close of business on 5th April 1999 notwithstanding the date or dates hereof;
- "the Goodwill" means the goodwill of the Business, the exclusive right to the customer lists of the Business, the exclusive right for the Company to represent itself as carrying on the Business in succession to TR&L and the Intellectual Property Rights, including without prejudice to the generality of the foregoing, the right to incorporate the words "Thomson Roddick" in the name of the Company;
- "TR&L's Group" means TR&L, its holding company for the time being and all subsidiary companies for the time being of TR&L and its holding company (as the terms 'holding company' and 'subsidiary' are

defined in Section 736 of the Companies Act 1985) excluding the Company;

“Intellectual Property Rights” means all intellectual property rights of TR&L including the patents, trade marks, registered designs and copyrights in any part of the world and the copyright in all drawings, plans, specifications, designs and computer software owned by TR&L exclusively and used in or for the purposes, of the Business (excepting any intellectual property rights in the name “Thomson Roddick & Laurie”) and all know-how and confidential information so owned and used.

“Shareholders Agreement” means the Shareholders Agreement among TR&L, Mark Richard Medcalf, Mrs Medcalf, Martin John Ramsay Cornish and the Company dated of even date with these presents.

- 1.2 Reference to any Act shall be deemed to include any statutory modification or re-enactment thereof or any rules or regulations made thereunder or any enactment repealed or replaced by the Act referred to.
- 1.3 Words importing the singular number only shall include the plural. number and vice versa; words importing any particular gender only shall include all genders; and words importing persons shall include firms and companies.

1.4 Reference to a Clause or to the Schedule shall, unless otherwise provided, be deemed to be references to a Clause or to the Schedule of this Agreement.

2. Sale of Goodwill and Assets

2.1 In exchange for the consideration specified in Clause 3.1 and 3.2 TR&L and Mrs Medcalf hereby sell to the Company as from the Completion Date the Goodwill and in exchange for the consideration specified in Clause 3.3 TR&L hereby sells to the Company as from the Completion Date the Assets.

2.2 Save as expressly contained herein, it is hereby agreed that there shall not be transferred to the Company and the Company shall have no obligation or responsibility hereunder in respect of any of the liabilities or creditors (in each case whether existing prior to or following the Completion Date) of TR&L which shall be discharged when due by TR&L and TR&L shall indemnify and keep indemnified the Company on demand from and against all such liabilities and any claims, demands, or actions raised by any creditor including all costs and expenses incurred by the Company in connection therewith.

2.3 Without prejudice to the generality of Clause 2.2, TR&L shall remain liable for claims by third parties in respect of any service provided by TR&L or any act or omission of them relating to the Business prior to the Completion Date. Upon becoming aware of any such claim TR&L shall promptly give notice of it to the Company and shall not take any steps which might reasonably be expected to damage the commercial interests of the Company without prior consultation with the Company. The liability of TR&L

under this Clause shall extend to any settlement of a claim (including costs) made with the approval of TR&L.

- 2.4 The parties hereto agree and acknowledge that the sale of the Goodwill hereunder is a "relevant transfer" within the meaning of the Transfer of Undertakings (Protection of Employment) Regulations 1981 ("the Regulations"). TR&L hereby undertakes to indemnify and keep indemnified the Company on demand against any liability including costs and expenses which relates to or arises out of any act or omission (including, without prejudice to the foregoing generality, negligence) by TR&L or any other event or occurrence prior to the Completion Date for which the Company is or becomes liable by reason of the operation of the Regulations and/or any judicial decision interpreting the same or arising out of any breach on the part of TR&L of any of the terms and conditions of the employees specified in Part 2 of the Schedule arising or accrued at any time prior to the Completion Date provided that the Company shall use its reasonable endeavours to minimise the amount of any such liability.
- 2.5 All salaries and other emoluments, including holiday pay, tax and national insurance payments relating to the employees specified in Part 2 of the Schedule shall be borne by TR&L up to the Completion Date and all necessary apportionments shall be made.
- 2.6 TR&L acknowledges that they have no right to object to the incorporation of the words "Thomson Roddick" in the name of the Company notwithstanding that they may cease to be a shareholder of the Company.
3. Consideration and Completion

- ~~Ent AS~~

- #### 4. Business failure

5. Insurance

6. Warranties

7. Undertakings

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undertakes and agrees that it shall not and shall procure that any company which may from time to time form part of TR&L's Group shall not:

- (a) subject to Clause 7.3, for a period of 2 years from the Completion Date, directly or indirectly be interested or concerned in any capacity in any business located and carried on in Central and/or Southern Scotland which competes or is reasonably likely to compete with the Business (other than as a shareholder and/or director of the Company and/or a holder of securities listed on a recognised stock exchange (as defined in Section 841 of the Income and Corporation Taxes Act 1988) provided such holding does not exceed 5% of the class of securities of which that holding is part);
- (b) subject to Clause 7.3, for a period of 2 years from the Completion Date, either on its own account or for any other person directly or indirectly solicit or endeavour to entice away from the Company # (or assist any other person to do so) any person who was at any time during the 2 years prior to the Completion Date a customer of or in the habit of dealing with TR&L in relation to the Business;
- (c) at any time disclose to any other person or use any confidential or secret information concerning the Business and/or any suppliers or customers of the Business or any techniques or methods used in the Business unless: (i) requested in writing by the Company; or (ii) requested by any competent authority in the exercise of any legal power; or (iii) the information relating thereto shall then be in the public domain otherwise than by breach of this Agreement;

PROVIDED THAT each of the undertakings contained in paragraphs (a), (b) and (c) above ("the Undertakings") shall be read and construed independently of each of the other Undertakings to the intent that if any of the Undertakings is held to be invalid for any reason then the remaining Undertakings shall to the extent that they are not held to be invalid, remain in full force and effect.

- 7.2 The undertakings contained in Clause 7.1 shall cease to apply in the event that, in the 2 years from the Completion Date, the Company shall cease to trade or become insolvent (as evidenced by the appointment of a liquidator or provisional liquidator, receiver, administrator or judicial factor to the Company or any part of its property or undertaking).
- 7.3 If any provision of this Agreement or of any other arrangement or agreement of which this Agreement forms part is subject to registration pursuant to the Restrictive Trade Practices Act 1976 such provisions shall come into force on the day after particulars thereof are furnished to the Director General of Fair Trading pursuant to Section 24 of the said Act.
- 7.4 TR&L shall, following Completion, promptly refer to the Company all enquiries relating to the Business and shall refrain from doing anything or omitting to do anything which may prejudicially affect the Goodwill
8. Post Completion Matters
- 8.1 TR&L and/or Mrs Medcalf shall take all necessary steps and co-operate fully with the Company to ensure that it obtains the full benefit of the Business, the Goodwill ^{and the Assets} and shall execute such documents and take such other steps (or procure other necessary parties so to do) as are necessary

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or appropriate for vesting in the Company all its rights and interests in the Business and the Goodwill and the Assets

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- 8.2 All rents, rates, gas, water, electricity and telephone charges and other outgoings relating to or payable in respect of the Business up to the Completion Date shall be borne by TR&L and as from the Completion Date shall be borne by the Company and all rents, royalties and other periodical payments receivable in respect of the Business up to that time shall belong to and be payable to TR&L and as from that time shall belong to and be payable to the Company. Such outgoings and payments receivable shall if necessary be apportioned accordingly.
- 8.3 Where any amounts fall to be apportioned under this Agreement, TR&L shall provide the Company with full details of the apportionments, together with supporting vouchers or similar documentation, and in the absence of dispute the appropriate payment shall be made by or to TR&L forthwith. If the amount of any apportionment is in dispute, the provisions of Clause 8.4 shall apply. The amount determined in accordance with that Clause shall be paid within 14 days of the determination.
- 8.4 Any dispute with respect to any amounts which fall to be apportioned under this Agreement shall be referred for final settlement to a firm of Chartered Accountants nominated jointly by TR&L and the Company or, failing such nomination within 14 days, nominated at the request of either of them by the President for the time being of the Institute of Chartered Accountants of Scotland. In making their determination, the accountants shall act as experts and not as arbiters, their decision shall be final and binding on the

parties and their fee shall be borne and paid by TR&L and the Company in such proportions as the accountants determine.

- 8.5 TR&L shall make available for inspection by the Company all books of account, income records, employees records, and value added tax records and any other books and documents which are relative to the Business prior to Completion.

9. Costs

Each party shall bear their own costs in connection with this Agreement.

10. Law

This Agreement shall be governed by and construed in accordance with Scots Law: IN WITNESS WHEREOF these presents typewritten on this and the ten preceding pages are subscribed as follows:-

SIGNED by THOMSON RODDICK & MEDCALF LIMITED
at Edinburgh
on 10 May 1999

by John David Matthew Thomson Director
JOHN DAVID MATTHEW THOMSON
and Anderson Strathern WS Secretaries
ANDERSON STRATHERN WS

SIGNED for and on behalf of THOMSON RODDICK & LAURIE LIMITED
at Edinburgh
on 10 May 1999

by John David Matthew Thomson Director
JOHN DAVID MATTHEW THOMSON
and Sybelles M & Medcalf Director
SYBELLE MARGERY FAIR MEDCALF
at Edinburgh
on 10 May 1999

By the said SYBELLE MARGERY FAIR MEDCALF

Sybelles M & Medcalf
at Edinburgh
on 10 May 1999 before me

Signature

Full Name in
block capitals
Address

Witness

John Neilson Kerr
JOHN NEILSON KERR

48 Castle Street
Edinburgh

The parties certify that the transaction hereby effected does not form part of a larger transaction or of a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds two hundred and fifty thousand pounds.

Thomson Roddick & Medcalf Limited
Thomson Roddick & Laurie Limited
Sybelle Margery Fair Medcalf

This is the SCHEDULE referred to in the foregoing AGREEMENT between THOMSON RODDICK & MEDCALF LIMITED and THOMSON RODDICK & LAURIE LIMITED and SYBELLE MARGERY FAIR MEDCALF dated 10 May 1999

SCHEDULE

Part 1

Warranties

1. TR&L and Mrs Medcalf have sole right to the Goodwill and the Assets and are able to transfer the same pursuant to this Agreement free of any security, liens or encumbrance;
2. There is no agreement or commitment to give or create any option, security, lien or encumbrance over the Goodwill and/or the Assets,
3. So far as TR&L is aware, neither TR&L nor Mrs Medcalf have done or omitted to do anything which might prejudicially affect the Goodwill and/or the Assets.
4. So far as TR&L is aware, no customer of the Business has, in the past 2 years, terminated or materially reduced or will (as a result of the acquisition of the Business by the Company or for any other reason) terminate or materially reduce its relationship with the Business.
5. TR&L use no name for any purpose in connection with the Business other than "Thomson Roddick & Laurie" or "Thomson Roddick & Laurie Limited".
6. TR&L have not (except in the normal course of business) disclosed or permitted to be disclosed or undertaken or arranged to disclose to any person other than the Company any of the know-how, trade secrets, confidential information, price lists or lists of customers or suppliers relating to the Business.

7. No party will at the Completion Date have levied any distress or due diligence against any asset used in the Business;
8. The only employees of the Business are those whose details are specified in Part 2 of the Schedule, which details are accurate in all material respects and summarise the material terms and conditions upon which such employees are employed;
9. There are no schemes in operation in relation to the Business whereunder any of the employees specified in Part 2 of the Schedule is entitled to a commission or remuneration of any sort calculated by reference to the whole or part of the turnover, profits or sale of the Business.
10. No negotiations for any increase in the remuneration or benefits of any of the employees specified in Part 2 of the Schedule are current or likely within a period of 6 months after the Completion Date.
11. None of the employees specified in Part 2 of the Schedule is involved in any industrial dispute and, so far as TR&L is aware, there are no circumstances which may result in any industrial dispute involving such employees and TR&L has complied with its duty to inform and consult pursuant to the Regulations.
12. TR&L has not entered into any recognition agreement with a trade union nor has it done any act which might be construed as recognition.
13. None of the employees listed in Part 2 of the Schedule has given or received notice terminating his/her employment.
14. TR&L is not under any legal or moral liability or obligation or *ex-gratia* arrangement or promise to pay pensions, gratuities, superannuation allowances or the like to any of the employees listed in Part 2 of the

Schedule (other than the giving of consideration to the appointment of Charles Graham Campbell as a director of the Company depending on his performance after he has been employed for a period of two years by the Company).

15. TR&L is not engaged relative to the Business in any litigation, arbitration, prosecution or other legal proceedings and no such proceedings are pending or threatened either by or against TR&L and there are no facts which are likely to give rise to any such proceedings;
16. There have been no investigations, enquiries or other proceedings made in respect of the Business so far as TR&L are aware;
17. TR&L is not in connection with the Business a party to any contract with third parties not of an arm's length nature or entered into outwith the ordinary course of business;
18. TR&L have maintained proper professional indemnity and public liability insurance in connection with the Business, and so far as TR&L is aware, nothing has been done or omitted to be done which could make any such policies of insurance void or voidable.
19. TR&L does not carry on the Business in partnership with any person, firm, company or other organisation.

SCHEDULE

PART 2

Employees

THOMSON RODDICK & LAURIE STAFF JOINING THOMSON RODDICK & MEDCALF

NAME	POSITION	SALARY	DATE OF JOINING TR&L	DATE OF BIRTH	NOTICE
Gillian Wilson	Bookkeeper	£170 p w	21.04.97	7.12.67	1 month
CaroleJaszewski	Secretary	£160pw	01.07.96	11.01.79	1 month
Sybelle Medcalf	Director	£20,000 pa	01 01 95	09.05.62	1 month
Charles Graham-Campbell	Valuer	£25,000 pa	1.4.99	To follow	2 months
Part-time staff					
Charles Johnson	Porter	£3.60 per hr	22.06.90	21.05.35	1 week
Willie McClure	Porter	£31 per day	01 08 97	30.04.74	1 week
Peter Prange	Porter	£24 per day	16.09. 96	12.03.80	1 week

OVERTIME

Clerical £5.00 per hour
 W McClure £5.00 per hour
 P Prange £3.00 per hour

HOLIDAY ENTITLEMENT

Holiday entitlement for all employees is 4 weeks per annum. All employees only have an entitlement to Statutory Sick pay.

SCHEDULE

PART 3

ASSETS

ANNAN

25 Stacking Chairs

12 Tables

Two table top display units

1 Rostrum

Quantity of Dexion shelving to Annan Saleroom and store.

DUMFRIES

Two office desks

Two typist chairs

2 Computers

1 Doc matrix printer

Bidmaster Auction package

Dexion shelving to Dumfries store.

MOTOR VEHICLES

Ford Mondeo

S637 LRA

Rover 416

P258 EOJ

7/1/01 *Tom Thorne*
And Hal

7/2/01 *Tom Thorne*
Sybil M Medical

2/4/01 *Sybil M Medical*