

COMPROMISE AGREEMENT

between

- (1) Tie Limited, a company incorporated under Companies Acts (Company Number: SC230949) and having its registered office at City Chambers, High Street, Edinburgh, Midlothian EH1 1YJ; (hereinafter referred to as "the Employer") and
- (2) **Michael Howell, residing at [REDACTED] (hereinafter referred to as "the Employee")**

WHEREAS the Employer and Employee desire to agree the termination of the Employee's contract of employment with the Employer constituted by Offer and Acceptance dated 28 July 2003 wherein the Employee was employed as Chief Executive of the Employer as from 1 September 2003 and that on the terms and conditions set out in Appendix 1 to said contract, it is agreed between the parties as follows:

1. The Employee's contract with the Employer as aforesaid will terminate and come to an end on 21 July 2006 by mutual agreement and without the necessity for any further notice or procedure whatsoever. For the avoidance of doubt, the Employee shall, for the period up to and including 21 July 2006, (subject to deduction of income tax and National Insurance Contributions) continue to pay the Employee's salary and provide to the Employee such other benefits as are provided for in his employment contract.
2. Subject to the Employer receiving the principal of this Agreement signed by the Employee and with the Employee's Advisor Certificate fully completed the Employer shall, subject to the Employee's compliance with his obligations under this Agreement pay the compensation payment to the Employee and the Employee accepts the compensation payment, payment of which will be made on the compensation date, in full and final settlement of all claims present and future competent to the Employee against the Employer arising from the Employee's contract of employment with the Employer and the termination thereof whether under statute or at common law or under legislation of the Council of European Union including but not limited to a claim for wrongful dismissal, unfair dismissal, breach of contract, constructive dismissal and any other claim which could be brought in an Employment Tribunal pursuant to the Employment Rights Act and any claim which the Employee has or might otherwise have against the Employer, its officers or employees arising from or in connection with the Employee's employment or the termination thereof. The Employee hereby agrees that, except for the sums, benefits and other provisions and arrangements referred to in this Agreement as the compensation payment no other sums or benefits are due to him from the Employer. The Employee further agrees to refrain from instituting any proceedings by way of action or otherwise before a Court in respect of alleged wrongful dismissal or other alleged breach of any express or implied term of his contract of employment with the Pursuer and to refrain from instituting before an Employment Tribunal any proceeding complaint or claim including but not limited to a complaint of unfair dismissal, constructive dismissal and a claim for a redundancy payment. This Agreement shall not affect the Employee's ability to make claims arising from personal injury or which relate to accrued pension rights.
3. For the avoidance of doubt if the Employee's rights were under statute, common law or otherwise have not been validly excluded by the provisions of this Agreement and if the Employee exercises any such rights and an Employment Tribunal or Court of Law or other competent authority shall find that the Employee is entitled to any remedy then if a monetary award is made the Employer will be entitled to set off the compensation payment against any monetary award in diminution or total extinction thereof and the Employee will repay the Employer the balance if any of the compensation payment remaining after applying such a set off.
4. If at any time after the date of signing this Agreement but before payment of the compensation payment the Employee has materially breached any of his obligations in terms of this Agreement the Employer will be released from his obligations to pay the compensation payment in terms of this Agreement.
5. The compensation payment to be paid by the Employer to the Employee on 21 July 2006 will be constituted as follows:
 - (a) Payment amounting to [REDACTED] a sum equivalent to payment in lieu of notice;

- (b) Payment amounting to ██████ in respect of insurance premium;
 - (c) Payment of ██████ representing pro rata payment of annual bonus;
 - (d) Payment of ██████ in respect of long term performance award;
 - (e) Legal fees reasonably incurred in the Employee taking advice on the terms of this Agreement not to exceed ██████ exclusive of VAT.
6. The Employer and the Employee consider that the Employee is entitled to receive ██████ of the payment under Clause 5(a) above tax free under Chapter 3 of Part 6 of the Income Tax (Earnings and Pensions) Act 2003 (the "Exempt Amount") and that accordingly, the Exempt Amount shall be paid without deduction of income tax or National Insurance Contributions. The remaining compensation payment payable under Clauses 5(a) to (d) above will be subject to deductions of income tax and employee's National Insurance Contributions. The Employee will indemnify and keep indemnified the Employer against all and any liability to income tax and employee National Insurance Contributions including penalties and interest thereon (save to the extent that such penalties and interest arise from the Employer's default or delay in responding to the demand for tax and/or notifying the same to the Employee) arising from the payment of the Exempt Amount.
 7. The Employer will resolve to award augmentation extra years of pension scheme membership equivalent to ██████ through the Lothian Pension Fund and in accordance with relevant Pension Regulations.
 7. The Employee declares and acknowledges that before signing this Agreement he received independent legal advice from a qualified lawyer as to the terms and effects of this Agreement and in particular its effects on his ability to pursue his rights before an Employment Tribunal or a Court of law. The qualified lawyer who has so advised the Employee is Nicola Leitch of Dickson Minto Solicitors, 16 Charlotte Square, Edinburgh EH2 4DF. The said Solicitor has confirmed to the Employee all in terms of Certificate annexed that there is in force and was at the time he received the advice referred to above a Policy of insurance covering the risk of a claim by the Employee in respect of loss arising in consequence of that advice.
 8. The Employee declares and acknowledges that he has carefully read and fully understood all the provisions of this Agreement and voluntarily agrees and intends to be legally bound by all its terms and in particular he acknowledges that this Agreement is a Compromise Agreement and that by entering into this Agreement the Employee has agreed not to institute or continue any proceedings before an Employment Tribunal or the Court arising out of his contract of employment with the Employer and the termination thereof.
 9. The Employee in continuance of the obligations to the following effect which have subsisted during employment with the Employer, shall not at any time whether before or after the termination date divulge to any person whomsoever and shall not at any time publish or disclose any trade secret or other confidential information concerning the business finances, dealings, transactions or affair of the Employer or any of its customers or clients entrusted to the Employee or arising or coming to the Employee's knowledge during the course of employment with the Employer.
 10. The Employee shall not disclose directly or indirectly the existence or contents of this Agreement except to his professional advisors and provided always that disclosure to his professional advisors shall be on terms that they agree to keep the same confidential. The Employee and the Employer each undertake not to make or publish or cause to be made or published to anyone in any circumstances any detrimental or disparaging comments concerning the other or, in respect of the Employee, any of the Employer's officers or employees.
 11. If the Employee breaches the terms of this Agreement the compensation payment will immediately be repayable to the Employer as a debt.
 12. The Employer and the Employee agree that they shall before 21 July 2006, acting reasonably, agree the terms of a form of reference which the Employer will provide in response to any requests for a reference in respect of the Employee.

13. The Employer will reimburse the Employee in full all expenses claims properly incurred in the course of the Employee's employment with the Employer in accordance with the Employer's normal procedures.
13. The conditions regulating Compromise Agreements contained in section 203(3) of the Employment Rights Act 1996 are satisfied by this Agreement.
14. The terms of this Agreement constitute the entire Agreement and understanding between the parties and supersedes and replaces all and any prior negotiations, agreements, arrangements or understanding (whether implied or expressed, oral or in writing). The parties to this Agreement hereby acknowledge and agree that following the signing of this Agreement by or on behalf of both parties its terms shall cease to be without prejudice or subject to contract.

154. The terms of this Agreement are governed by and are to be construed in all respects and in accordance with Scots Law and the Employer and Employee hereby agree to submit to the exclusive jurisdiction of the Sheriff Courts.

Signed: [Redacted]
by the Employee at
on 14/6/2006 before this witness

Name: M.B. GERRARD
Witness

Address: [Redacted]

Signed: [Redacted]
Director for on and on behalf of the Employer at
on 14/6/2006 by WILLIAM GAWAGGER
before this witness,

[Redacted]
Witness

[Redacted]

15/06/06

[Redacted]

15/6/06

Name: Lesley Duncan

Address: [Redacted]

Signed: [Redacted]

by the Employee's Legal Advisor as confirmation that the requisite advice has been given to the Employee in terms of the Agreement and that there is and was at the time the advice was tendered to the Employee in force a policy of insurance covering the risk of a claim by the Employee in respect of loss arising in consequence of the advice.

at EDINBURGH

(on 14 June 2006

Dated: _____