

 DATED 9 December 2003

(1) CATER BARNARD (USA) PLC

3861966

- and -

(2) CHRYSTYNA BEDRIJ

EXECUTIVE SERVICE AGREEMENT




Beachcroft
Wansbroughs
SOLICITORS

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THIS AGREEMENT is made the 9 day of December 2003

BETWEEN:

- (1) **CATER BARNARD (USA) PLC** (a company registered in England under number 3861966) whose registered office is at 6 Lloyd's Avenue, London EC3N 3AX ("**the Company**"); and
- (2) **CHRYSTYNA BEDRIJ** of 21 South End Avenue, New York, New York 10280 U.S.A ("**the Executive**").

WHEREAS IT IS AGREED as follows:

1. INTERPRETATION

1.1 Defined Terms

- 1.1.1 Unless the context otherwise requires in the Agreement the following words and phrases shall have the meanings given below:-

"Group Company" shall include the Company, its holding company (if any) and any of its subsidiary companies;

"holding company"
"subsidiary" and
"subsidiary company" shall have the meanings respectively ascribed to them in Section 736 of the Companies Act 1985;

"the Effective Date" means 12 December 2003

"the Board" means the board of directors of the company or the directors present at a meeting of directors at which a quorum is present;

- 1.1.2 Words and phrases the definition of which is contained or referred to in the Companies Act 1985 shall be construed as having the meanings thereby attributed to them.

1.2 Construction Of Certain References

Unless the context otherwise requires any reference in this Agreement to:-

- 1.2.1 a "person" shall include any individual company corporation firm partnership joint venture association organisation or trust (in each case whether or not having separate legal personality) and references to any of the same shall include a reference to the others;

- 1.2.2 "writing" or "written" shall include any means of visible reproduction;

- 1.2.3 words denoting the singular shall include the plural and vice versa;
- 1.2.4 clauses are references to clauses hereof;
- 1.2.5 sub-clauses are references to sub-clauses of the clause in which the reference appears; and
- 1.2.6 statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

1.3 Clause Headings

Clause headings are inserted for convenience only and shall not affect the construction of this Agreement.

2. EFFECTIVE DATE

This Agreement shall be deemed to have taken effect on the Effective Date.

3. TERM OF EMPLOYMENT

- 3.1 The Company hereby appoints the Executive and the Executive hereby agrees to serve as Director of Research of the Company.
- 3.2 At the date of this Agreement the Executive's employer within the Group Companies is the Company but the Company reserves the right to transfer the employment of the Executive to any other Group Company to meet the needs of the business of the Group.
- 3.3 The Executive's continuous employment with the Company commenced on the Effective Date.
- 3.4 The said appointment shall continue unless and until terminated in accordance with this Agreement
- 3.5 This Agreement will automatically terminate when the Executive reaches her 65th birthday which is the normal retirement age for the Company's employees.

4. DUTIES AND POWERS

- 4.1 The Executive shall during the continuance of her employment hereunder unless prevented by ill-health or accident and subject to the other provisions of this Agreement) devote all of her working time and of her attention and abilities to the duties of her office and shall use her best endeavours to promote the general interests and welfare of the Company and any other Group Company.

- 4.2 The Executive shall at all times promptly give to the Board (in writing if so requested) all such information explanations and assistance as it may require in connection with her employment hereunder and with the business of any Group Company.
- 4.3 The Executive shall exercise such powers perform such duties and comply with such directions being consistent with her appointment hereunder as the Board may from time to time confer upon or assign or give to her. The Executive may be required in pursuance of her duties hereunder to be engaged or concerned not only on behalf of the Company but also on behalf of any other Group Company.

5. DIRECTORSHIPS

- 5.1 The Executive shall accept appointment as a director of any such Group Company as the Company may require in connection with her appointment hereunder and shall resign without claim for compensation from office as a director of any such company at any time on request by the Company which resignation shall not affect the continuance in any way of this Agreement.
- 5.2 Upon the termination of the Executive's employment with the Company for whatever reason the Executive shall upon the request of the Board resign without claim for compensation from office as a director of any Group Company of which she is a director and from all offices and trusteeships held by her or in any way relating to any such companies.
- 5.3 Should the Executive fail to resign from office as a director or from any other office or trusteeship as is referred to in sub clauses 5.1 or 5.2 either during her employment when requested by the Company so to do or on termination hereof the Company is hereby irrevocably authorised to appoint some person in her name and on her behalf to execute any documents and to do all things requisite to effect such resignation.
- 5.4 The removal of the Executive from the office of director of the Company or the failure of the Company in general meeting to re-elect the Executive as a director of the Company if under the articles of association for the time being of the Company she shall be obliged to retire by rotation or otherwise shall not effect the continuance of this Agreement.
- 5.5 The Executive shall not without the prior consent of the Company concerned during the continuance of her employment hereunder resign office as a director of any Group Company or do anything that would cause her to be disqualified from continuing to act as a director.

6. TRAVEL

- 6.1 The Executive shall perform her duties principally in New York but may be required to travel on the business of the Company anywhere in the world.
- 6.2 The Executive shall when required to do attend general meetings of the Company and meetings of the Board in the United Kingdom.

7. HOURS OF WORK

The Executive shall work such hours as are reasonably necessary for the full and proper performance of her duties under this Agreement and has no normal hours of work.

8. REMUNERATION

8.1 The Company shall pay to the Executive during the continuance of her employment hereunder as remuneration for her services a remuneration package of US\$170,000 gross which shall be paid and satisfied in the first six months of the term by the issue of 300,000 Ordinary Shares in the capital of the Company at par fully paid and the remainder of the term in the form of cash salary, pension contributions, insurance benefits and/or other benefits (at the Executive's option) up to such gross value, exclusive of (if applicable) employer's National Insurance Contributions. Such remuneration package shall be reviewed in January of each year the first review being in January 2005. Such remuneration shall not include sums receivable as directors fees (if any) from any Group Company and (to the extent payable as salary) shall be payable by equal monthly payments payable by direct debit transfer in arrears on the 27th day of each month.

8.2 In addition there shall be paid or refunded to the Executive such sums as shall cover all reasonable out of pocket expenses necessarily and wholly incurred by her in or about the performance of her duties hereunder subject to receipt by the Company of such evidence of such expenses as the Company may reasonably require.

9. SICKNESS AND INCAPACITY

9.1 If the Executive is unable to perform her duties hereunder satisfactorily by reason of any injury illness or other cause for a consecutive period of 13 weeks or for periods in aggregate exceeding 26 weeks in any period of fifty-two weeks she shall thereafter while such inability to perform continues only be entitled to her remuneration at a weekly rate equal to 50% of the remuneration (determined on a weekly basis) otherwise payable to her hereunder.

9.2 Any remuneration paid to the Executive during any period in which the Executive is unable to perform her duties hereunder satisfactorily by reason of any illness injury or other cause shall be inclusive of the amount of any benefit or statutory sick pay to which the Executive may be entitled during such period.

9.3 The Executive shall submit herself to a medical examination at the request and expense of the Board at any time during the continuation of her employment hereunder and whether or not the Executive is absent by reason of sickness injury or other incapacity.

9.4 The Company reserves its right to ask the Executive to produce a medical certificate from a registered general practitioner at any stage of absence.

- 9.5 If the Executive is not able to carry out her duties for over six consecutive months the Company may terminate her Agreement by giving the Executive one month's prior written notice.

10. INSURANCE BENEFITS

If the Executive so elects as part of her remuneration package:-

- 10.1 the Company shall provide to the Executive private medical expenses insurance at the Company's expense for the Executive and her spouse and children at a level of cover to be agreed between the Company and the Executive; and/or
- 10.2 the Company will pay the costs of a life assurance policy on the life of the Executive for a sum equal to four times the Executive's then gross annual salary the proceeds of which shall be payable to the estate of the Executive or as she shall have previously directed the Company in writing.

11. PENSION

- 11.1 The Company has no occupational pension scheme applicable to the Executive's employment. If the Executive so elects as part of her remuneration package, the Company will contribute to a personal pension plan held by the Executive to the extent it has coverage. In the event that a full year is not worked the contribution shall be reduced accordingly.
- 11.2 To the extent applicable, the Company declares that no Contracting Out Certificate under the Social Security (Pensions) Legislation is in force in respect of the employment of the Executive.

12. COMPETITION DURING SERVICE

The Executive shall not during the continuance of her employment by the Company (except with the consent in writing of the Board) be directly or indirectly engaged or interested in any other business or partnership save for the holding (directly or through nominees) of investments not exceeding 5% in total of any class of security dealt with on the Stock Exchange.

13. HOLIDAYS

- 13.1 The Executive shall be entitled to 30 working days holiday in each year (in addition to customary statutory or public holidays) at such time or times as shall be mutually convenient to the Executive and the Board.
- 13.2 The Company's holiday year runs from 1st January to 31st December and holiday entitlement accrues evenly from month to month.
- 13.3 Any holiday entitlement not taken during the holiday year will be lost and no remuneration will be payable in lieu without the consent of the Board.

- 13.4 The Executive shall be entitled to payment in lieu of holiday entitlement accrued due but untaken as at termination of this Agreement. The Company will be entitled and the Executive gives her irrevocable consent to the Company making a deduction from the final payment made to the Executive on termination of this Agreement of an amount equal to payment of holiday entitlement taken by the Executive but not accrued before the date of termination of her employment.

14. **INVENTIONS AND IMPROVEMENTS**

In the event that the Executive shall during the continuance of her employment by the Company either make or discover any invention or design or make any improvement upon any existing invention or design whether or not the same is capable of patent registered design copyright or other like protection and whether alone or in conjunction with any other employees of the Company or of any other Group Company or other persons she shall immediately disclose the same to the Board and shall at the Company's request do all such acts and execute all such documents as may be necessary to vest the right of any such invention design or improvement in the name of the Company or in the name of a person specified by the Company to the intent that all such rights in any such invention design or improvement shall subject to any applicable provisions of the Patents Act 1977 or the Copyright Designs and Patent Act 1988 become the property of the Company or its nominee.

15. **CONFIDENTIAL INFORMATION**

- 15.1 The Executive shall not either before or after the termination of her employment hereunder use divulge or communicate to any person or persons any secrets or any other information in relation to the affairs of the Company any other Group Company or any client thereof of which she may become possessed whilst in the service of the Company or to the working of any process or invention which is carried on or used by the Company any other Group Company or any client thereof or which she may have made or may make or discover whilst in the services of the Company except in the proper course of her duties hereunder or as authorised by the Board or as ordered by a court of competent jurisdiction.
- 15.2 The restriction in sub-clause 15.1 above shall apply during and after the termination of the Executive's employment without any time limit but shall cease to apply to information or knowledge which she establishes has in its entirety become public knowledge otherwise than through any unauthorised disclosure or other breach of that restriction by her.
- 15.3 The Executive shall not at any time during the continuance of her employment hereunder make otherwise than for the benefit of any Group Company any notes or memoranda relating to or concerning any of the dealings affairs or business of any Group Company.

16. **SHARE DEALINGS**

- 16.1 The Executive will comply (where relevant) with every rule of law, every regulation of the London Stock Exchange and every requirement, recommendation or regulation of the Board from time to time in force in relation to dealings with shares, or other

securities of the Company and unpublished price-sensitive information affecting the shares, or other securities of any such company.

- 16.2 The Executive will not (and will procure so far as she is able that her husband and children do not) deal or become or cease to be interested (within the meaning of Part I of Schedule 13 of the Companies Act 1985) in any securities of the Company except *in accordance with such dealing rules and any legislation, regulation or rules for securities transactions applicable from time to time.*

17. NON-SOLICITATION AND NON-ENTICEMENT

- 17.1 The Executive shall not during her employment with the Company and for a period of twelve months after it ends (provided if terminated by the Company it is lawfully terminated in accordance with this Agreement) either for herself or as the employee or agent of any other person, firm or company:-

17.1.1 solicit others or custom for goods or services competitive with those supplied or performed by the business of the Company or the business of any other Group Company from any person firm or company who has been *a customer or client of the Company or such other Group Company during the twelve months preceding the termination of the employment of the Executive.* The restrictions set out in this clause shall be construed as a separate and severable restriction in respect of each such customer, or client;

17.1.2 entice or try to engage or entice any other person employed by the Company or any Group Company while the Executive is employed by the Company or any other Group Company to leave his or her employment with the Company or any other Group Company to work in a business which would compete with the Company's business or the business of any other Group Company. The restrictions set out in this clause shall be construed as a separate and severable restriction in respect of each such employee;

17.1.3 interfere or seek to interfere with the continuance of supply of goods and/or services to the Company or any other Group Company from any supplier who has been a supplier of the Company or any Group Company during the twelve months preceding the termination of the Executive's employment and with whom the Executive has dealt in the course of her employment during that period. The restriction set out in this clause shall be construed as a separate and severable restriction in respect of each such supplier.

- 17.2 The restrictions set out in this clause 17 shall be construed as separate and severable restrictions in respect of each Group Company.

- 17.3 The Company and the Executive agree:-

- 17.3.1 that each of the restrictions contained in the sub-clauses of this clause 17 shall be treated as separate and severable restrictions; and
- 17.3.2 that employment is a continuing relationship over a period of time during which the Company's business will develop and the Executive will acquire an increasing knowledge of the Company's business and customers or clients and those of the Group Companies and may be given increasing responsibility so the reasonableness of these restrictions shall be judged in the light of the circumstances prevailing when the employment of the Executive ends.

18. TERMINATION

- 18.1 The employment of the Executive may be terminated:-
 - 18.1.1 by the Executive on giving the Company not less than six months' notice in writing of resignation from employment;
 - 18.1.2 by the Company on giving the Executive not less than six months' written notice.
- 18.2 The Company may in its discretion require the Executive not to come into work during the notice period and the Company may, in its discretion, pay the Executive salary in lieu of notice.
- 18.3 The Company may terminate the Executive's employment immediately by summary notice in writing if he:-
 - 18.3.1 commits, repeats or continues any serious breach of this Agreement; or
 - 18.3.2 is guilty of serious misconduct or gross incompetence; or
 - 18.3.3 adversely prejudices or does or fails to do anything which in the reasonable opinion of the Board is likely to prejudice adversely the interests or reputation of the Company or any Group Company; or
 - 18.3.4 is convicted of any criminal offence (other than an offence which does not in the opinion of the Board affect her employment); or
 - 18.3.5 becomes bankrupt or enters into or makes any arrangement or composition with or for the benefit of her creditors generally; or
 - 18.3.6 becomes of unsound mind; or
 - 18.3.7 becomes prohibited by law from being a director of a company.
- 18.4 In the event of this Agreement being terminated on notice in accordance with the above provisions the Company reserves the right to terminate the employment of the

Executive forthwith at any time during the said notice period and thereupon to pay to the Executive a sum equal to the sum which she would be entitled to receive from the Company in respect of the unexpired period of such notice.

19. TERMINATION UPON AMALGAMATION OR RECONSTRUCTION

If the employment of the Executive hereunder shall be terminated either by reason of the liquidation of the Company for the purpose of amalgamation or reconstruction or as part of any arrangement for the amalgamation or reconstruction of the Company not involving liquidation and the Executive shall be offered employment with any concern or undertaking resulting from such amalgamation or reconstruction on terms and conditions which taken as a whole are not less favourable than the terms of this Agreement then the Executive shall have no claim against the Company in respect of the termination of her employment by the Company.

20. CONSEQUENCES OF TERMINATION

20.1 On termination of this Agreement for whatever reason the Executive must immediately deliver to the Company all books, documents, papers, tapes, disks and copies, materials, credit cards, keys and other property belonging to the Company or any other Group Company then in her possession whether or not the same were originally supplied to her by the Company or any other Group Company.

20.2 In the event that this Agreement is terminated as a result of the Executive's breach (whether major or persistent minor breaches) the Company will not be obliged to provide her with any reference in respect of her employment by or office with any Group Company.

20.3 On termination of this Agreement the Company may deduct from any sums then owing from it to the Executive by way of salary or otherwise any sums owing from her to it and the Executive irrevocably consents to such deductions.

21. COLLECTIVE AGREEMENTS

There is no collective agreement in force which directly or indirectly affects the terms and conditions of the employment of the Executive with the Company.

22. GRIEVANCE PROCEDURE

22.1 If the Executive is unhappy about any aspect of her employment, she should raise it verbally with the Chairman of the Board.

22.2 If the Executive is dissatisfied with the Chairman's decision she may request that the matter be referred to the Board. The reference will be dealt with and decided by discussion by a majority decision of those members of the Board present at the relevant meeting where the grievance is discussed.

23. DISCIPLINARY PROCEDURE

The Company does not have a formal disciplinary procedure which is applicable to the Executive.

24. NOTICES

Notices may be given by either party by letter addressed to the other party at (in the case of the Company) its registered office for the time being and (in the case of the Executive) her last known address and any such notice given by letter shall be deemed to have been given at the time at which the letter would be delivered in the ordinary course of post or if delivered by hand then upon delivery and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted.

25. MISCELLANEOUS

25.1 The termination of this Agreement howsoever arising shall not affect such of the provisions of this Agreement as are expressed to operate or have effect thereafter and shall be without prejudice to any right of action already accrued to either party in respect of any breach of this Agreement by the other party.

25.2 This Agreement will be governed by English law.

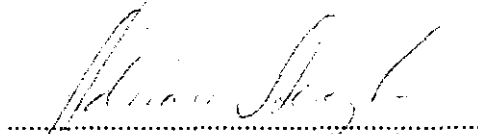
IN WTNESS whereof this Agreement is executed as a deed and delivered as at its date

SIGNATURE PAGE

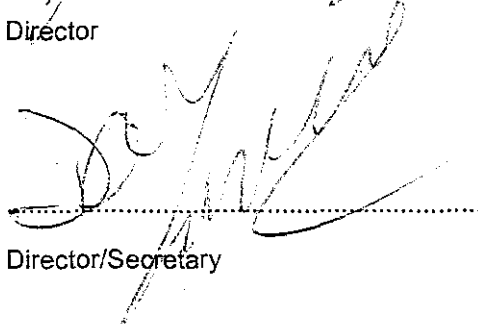
SIGNED as a deed and delivered by

CATER BARNARD (USA) PLC

acting by two officers:



Director



Director/Secretary

SIGNED as a deed and delivered by

CHRYSTYNA BEDRIJ

in the presence of:

WITNESS:

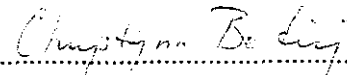
Signature

Name

Address

Occupation

(PLEASE COMPLETE IN CAPITALS)



(Signature)

9 December 2003

(Date)