

**KOPANE DIAMOND DEVELOPMENTS  
PLC**

and

**JAMES SEYMOUR CABLE**

**TABLE OF CONTENTS**

1. DEFINITIONS ..... 3  
2. TERM OF APPOINTMENT ..... 3  
3. LIQUIDATED DAMAGES ..... 4  
4. CHANGE OF CONTROL ..... 4  
5. DUTIES ..... 5  
6. HOLIDAY ..... 7  
7. OUTSIDE INTERESTS ..... 7  
8. SALARY ..... 8  
9. EXPENSES ..... 8  
10. CONFIDENTIAL INFORMATION ..... 8  
11. INVENTIONS AND CREATIVE WORKS ..... 10  
12. GARDEN LEAVE ..... 10  
13. RESTRICTIONS AFTER TERMINATION ..... 11  
14. TERMINATION BY EVENTS OF DEFAULT ..... 12  
15. INCAPACITY AND MEDICAL EXAMINATION ..... 13  
16. OBLIGATIONS UPON TERMINATION ..... 13  
17. RECONSTRUCTION AND AMALGAMATION ..... 14  
18. DISCIPLINARY AND GRIEVANCE PROCEDURES ..... 14  
19. NOTICES ..... 14  
20. ENTIRE AGREEMENT ..... 14  
21. PROPER LAW ..... 15  
22. CONSTRUCTION ..... 15  
23. COUNTERPARTS ..... 15  
24. THIRD PARTY RIGHTS ..... 16

**THIS DEED** is made on 1 January 2008

**BETWEEN:**

- (1) **KOPANE DIAMOND DEVELOPMENTS PLC** whose registered office is at 43 North Audley Street, London W1K 6WH, (the "**Company**"); and
- (2) **JAMES SEYMOUR CABLE** of 37 Green Lane, Paddock Wood, Kent TN12 6BF  
(the "**Executive**").

**NOW THIS DEED WITNESSES AS FOLLOWS:**

1. **DEFINITIONS**

In this agreement (unless the context requires otherwise):

**"Board"** means the board of directors from time to time of the Company (including any committee of the board duly appointed by it);

**"Group Company"** means the Company or any subsidiary undertaking (as defined in section 258 of the Companies Act 1985) or associated company (as defined in sections 416 et seq. of the Income and Corporation Taxes Act 1988) of the Company; and

**"UK Listing Authority"** means the Financial Services Authority in its capacity as the competent authority for the purposes of part VI of the Financial Services and Markets Act 2000.

2. **TERM OF APPOINTMENT**

2.1 The Company shall engage the Executive and the Executive shall serve the Company on the terms of this agreement (the "**Appointment**"). This Agreement supersedes the agreement between the Company and the Executive dated 1 July 2005. The Appointment shall be deemed to have commenced on 1<sup>st</sup> January 2008 and shall continue until terminated:

- (a) as provided for elsewhere in this agreement;
- (b) by either party giving the other not less than 12 months' prior written notice.

Notwithstanding clause 2.1(b) above where notice is served to terminate the Appointment (whether by the Company or the Executive), the Company may (at the sole and absolute discretion of the Board) terminate the Appointment at any time and with immediate effect by making the Executive a payment in lieu of the notice period (or, if applicable, the remainder of the notice period) equivalent to the Salary (at the date of termination) for the notice period (or remainder of the notice period).

2.2 The Company shall pay any sums due under clause 2.1 as one lump sum within 30 days following the date of delivery of the notice of termination of the Appointment, without deduction or set off, other than applicable taxes and other statutory deductions which the Company is obligated to deduct from such a payment. Such payments will be subject to income tax and national insurance contributions.

2.3 For the avoidance of doubt, the right of the company to make a payment in lieu of notice does not give rise to any right for the Executive to receive such a payment.

### 3. **LIQUIDATED DAMAGES**

- 3.1 If the Executive's employment is terminated other than in accordance with the terms of this agreement (including termination by constructive dismissal) the Company will pay to the Executive a liquidated sum (the "**Liquidated Sum**") equal to the Salary which the Executive would have been entitled to receive over the Executive's 12 month notice period (save that if the Company has previously served notice on the Executive under clause 2.1(b), references to the "notice period" in this clause shall mean the period from the date of termination of employment to the date on which the notice served under clause 2.1(b) would have expired). The provisions of this clause 3.1 shall not apply in the event that the Executive's employment is terminated in circumstances where Compensation is payable to the Executive pursuant to clause 4.
- 3.2 The Liquidated Sum will be in full and final settlement of any claims whatsoever which the Executive has or may have against the Company or any Group Company arising out of or in connection with his employment or its termination. In consideration for the payment of the Liquidated Sum, the Executive agrees to remain bound by the post-termination restrictions in clause 13 of this agreement.
- 3.3 The Liquidated Sum shall be paid as one lump sum within 30 days following the date of termination without any deduction or set off, other than applicable taxes and other statutory deductions which the Company is obligated to deduct from such a payment.
- 3.4 It is acknowledged and agreed that in the event the Executive's employment is terminated under any circumstances, the Executive shall not be subject to a duty, equivalent to the common law duty to mitigate loss, to seek new employment(s) and/or engagement(s) and the Company waives any requirement on the Executive to mitigate his losses in respect of any termination of employment.
- 3.5 For the purposes of this clause 3 "**constructive dismissal**" shall include (but not be limited to):
- (a) the Executive's removal from the position of Finance Director of the Company during the Appointment without his consent and on grounds which are insufficient to justify such removal; or
  - (b) the alteration by the Company without the Executive's consent of his duties and responsibilities so that his overall status is materially reduced.

### 4. **CHANGE OF CONTROL**

- 4.1 In this clause:

**"Change of Control"** means where any person (or persons acting in concert) who (directly or indirectly) controls the Company ceases to do so or if a person (or persons acting in concert) acquires (directly or indirectly) control of the Company and that control is unconditional in all respects (but not any situation where clause 17 shall apply). In this definition **"acting in concert"** shall be construed in accordance with the City Code on Takeovers and Mergers and **"control"** shall be construed in accordance with section 840 of the Income and Corporation Taxes Act 1988; and

**"Compensation"** shall mean 200 per cent of the annualised Salary (at the date of the Change of Control).

- 4.2 If there is a Change of Control at any time during the Appointment and within 12 months following that Change of Control (and notwithstanding any other provisions of this agreement):

- a) the Executive's employment is terminated by the Company (other than termination pursuant to clause 14);
  - (b) there is a detrimental and material change imposed in relation to the Appointment in terms of his status, remuneration or tenure; or
  - (c) the Company serves notice on the Executive to terminate the Appointment then the Company shall pay the Compensation to the Executive.
- 4.3 The Executive may (if there is a Change of Control at any time during the Appointment) within six months following the Change of Control terminate the Appointment with immediate effect and, in such event, the Company shall pay the Compensation to the Executive forthwith.
- 4.4 The Compensation shall be payable as one lump sum forthwith following the applicable event giving rise to the obligation to pay the Compensation less any sums paid to the Executive under clause 2.1 and less any tax or other statutory deductions which the Company is obliged to deduct from such a payment.
- 4.5 The Company and the Executive agree that the Compensation represents a genuine pre-estimate of the loss that would otherwise be suffered by the Executive. The Company waives any requirement on the Executive to mitigate his losses in respect of such termination and the Executive shall accept the Compensation in full and final satisfaction of all and any claims he may have arising out of his employment by the Company or its termination.
5. **DUTIES**
- 5.1 The Executive shall perform the duties of Finance Director or such other role as the Board may consider appropriate, such duties to be performed at 43 North Audley Street, London W1K 6WH or such other place in Central London as the parties may agree.
- 5.2 The Executive's employment with the Company will be subject to the articles of association of the Company and in the event of a conflict between the terms of this agreement and the articles of association the latter shall prevail.
- 5.3 The Executive shall:
- (a) devote his working time and attention to the duties assigned to him;
  - (b) faithfully and diligently serve the Company (and all Group Companies);
  - (c) use his best endeavours to promote and protect the interests of the Company (and all Group Companies);
  - (d) comply with his fiduciary duties;
  - (e) obey all reasonable and lawful directions given to him by or under the authority of the Board;
  - (f) perform services for and hold offices in any Group Company without additional remuneration (except as otherwise agreed);
  - (g) travel to such places (whether in or outside the United Kingdom) by such means and on such occasions as the Board may from time to time require;
  - (h) make such reports to the Board on any matters concerning the affairs of the Company or any Group Company as are reasonably required;

- (i) not enter into any arrangement on behalf of any Group Company which is outside its normal course of business or his normal duties or which contains unusual or onerous terms;
- (j) comply with any code of practice issued by the Company (as amended from time to time) relating to transactions in securities and all requirements, recommendations, rules and regulations (as amended from time to time) of the UK Listing Authority (including the Model Code for transactions in securities by directors of listed companies, the Financial Services Authority ("**FSA**") and of all regulatory authorities relevant to the Company and any Group Companies with which the Executive is concerned);
- (k) consent to the Company monitoring and recording any use that he makes of its telecommunication or computer systems and will comply with any policies that it may issue from time to time concerning the use of such systems; and
- (l) report the wrongdoing of any other employee or director of the Company and any Group Company of which he is aware to the Board without unreasonable delay, notwithstanding that this may involve self incrimination.

5.4 The Executive shall hold the position of Finance Director and:

- (a) shall hold such offices as a director (an "**Office**") in any Group Company as the Board may from time to time reasonably require;
- (b) (if the Board so requests) shall immediately resign from any Office held in any Group Company and the Executive hereby irrevocably appoints the Company to be his attorney to execute and do any such instrument or thing and generally to use his name for the purpose of giving the Company or its nominee the full benefit of this clause;
- (c) shall not do anything that would cause him to be disqualified from holding any Office;
- (d) shall not (without prior written notification to the Board) resign from any Office which he holds in the Company or any Group Company or any trusteeship which he holds as a result of the Appointment;
- (e) shall hold any Office in any Group Company subject to the articles of association of the relevant Group Company as amended from time to time and he will do such things as are necessary to ensure that he and the relevant Group Company)comply with the Combined Code on Corporate Governance of the UK Listing Authority (as amended from time to time) including without limitation retiring by rotation from his Office and seeking re-election when requested to do so by the Board or in accordance with the articles of association of the relevant Group Company; and
- (f) acknowledges that the termination of any Office which he holds in any Group Company by the Company or any Group Company (including failure to be re-elected to the Office following retirement by rotation) shall amount to a fundamental breach of this agreement enabling the Executive to claim damages should he accept such breach and terminate the Appointment.

5.5 The Executive shall work such hours during normal working hours in the location in which he may be providing services to the Company as are reasonable and necessary for the proper performance of his duties.

5.6 The Executive shall comply with:

- (a) any code of practice issued by the Company (as amended from time to time) relating to transactions in securities; and
- (b) all requirements, recommendations or regulations of the UK Listing Authority Financial Services Authority in its capacity as the competent authority for the purposes of part VI of the Financial Services and Markets Act 2000 ("**FMSA**"), the London Stock Exchange plc or any other authority or body authorised to regulate transactions in securities.

## 6. **HOLIDAY**

6.1 The Executive shall be entitled to 30 working days' holiday (in addition to the usual number of public holidays applicable, plus any additional days that the office from which the Executive normally works is closed, based on his principal place of residence in each complete holiday year worked (which is the period of 12 months commencing on 1 January each year) at full salary. The Executive acknowledges that his annual holiday entitlement shall include holiday entitlement related to any other employment. Holidays not taken in any holiday year may be carried over to the next following holiday year but must be taken by the end of the first quarter of that year. If the Executive does not work for the whole of any holiday year then his holiday entitlement for that year will be calculated on the basis of 2 day's holiday for each completed month of service in the relevant holiday year.

6.2 Upon termination of the Appointment:

- (a) the Executive shall be entitled to receive payment in lieu of any holiday entitlement which has accrued prior to the date of termination but is unused but where such termination is pursuant to clause 12 or follows the Executive's resignation the amount of such payment in lieu shall be calculated as if he was only entitled to the minimum entitlement under the Working Time Regulations 1998 ; or
- (b) the Company shall be entitled to make a deduction from the Executive's remuneration in respect of holidays taken in excess of the entitlement accrued prior to the date of termination.

The accrued holiday entitlement at the date of termination shall be calculated on the basis of 2 day's holiday for each completed calendar month of service in the then current holiday year. The amount of the payment in lieu (or deduction) shall be calculated on the basis of 1/260 of the Executive's annual salary for each day's holiday not taken (or taken in excess of the accrued entitlement).

6.3 If either party serves notice to terminate the Appointment the Board may require the Executive to take any accrued but unused holiday entitlement during the notice period.

6.4 Holiday entitlement shall not accrue for any period during which the Executive is on Garden Leave. Any accrued but unused holiday shall be deemed to be taken during any period of Garden Leave.

## 7. **OUTSIDE INTERESTS**

7.1 The Executive may, with the permission of the Board in writing (such permission not to be unreasonably withheld), hold non-executive directorships or consulting positions with other organisations as long as these appointments do not represent a conflict of interest or are in competition with the Company or entail an application of time such that it conflicts with the duties of this employment. The Executive shall not become an employee or hold an executive position with other organisations except with the prior written approval of the Company.

- 7.2 The Executive shall be permitted to hold shares or securities of:
- (a) a company, any of whose shares or securities are quoted or dealt in on any recognised investment exchange; and
  - (b) a company, none of whose shares or securities are quoted or dealt in on any recognised investment exchange, provided that prior to the time of acquisition he notifies the Company of any such holding which exceeds 20% of the issued share capital of such company,

provided that he complies with all applicable rules, laws and regulations relating to dealings in shares, debentures and other securities (including but not limited to the Criminal Justice Act 1993, the regulations of the UK Listing Authority, the Model Code for transactions in securities by directors of listed companies and certain others and any requirement or code of practice issued by the Company) as amended from time to time. The Executive must make himself aware of these rules, laws and regulations.

- 7.3 The Executive shall disclose to the Board any matters relating to his spouse (or anyone living as such), their children, stepchildren, parents or any trust or firm whose affairs or actions he controls which, if they applied to the Executive, would contravene clauses 7.1 or 7.2 to the extent that he has actual knowledge of such matters.

## 8. **SALARY**

- 8.1 The Executive shall be paid a salary of £130,000 per annum or such other rate as may be agreed from time to time (the "**Salary**"). The Salary shall accrue from day to day. The Executive shall not be entitled to any other remuneration by reason of his holding any Office in the Company or any Group Company. The Salary shall be payable in equal monthly instalments in arrears on or about the last working day of each calendar month.
- 8.2 The Salary shall be reviewed by the remuneration committee of the Board from time to time but not less than once in each year. There is no obligation to award an increase. There will be no review of the salary after notice has been given in accordance with clause 2.1(b).
- 8.3 The Company may deduct from any sums owed to the Executive all sums which he owes the Company or any Group Company from time to time.

## 9. **EXPENSES**

The Company shall reimburse the Executive for all reasonable travel, accommodation and other expenses wholly, exclusively and necessarily incurred in or about the performance of his duties hereunder, which expenses shall be evidenced in such manner as the Board may specify from time to time.

## 10. **CONFIDENTIAL INFORMATION**

- 10.1 Without prejudice to his common law duties, the Executive shall not (save in the proper course of his duties, as required by law or as authorised by the Board) use or communicate to any person (and shall use his best endeavours to prevent the use or communication of) any trade or business secrets or confidential information of or relating to the Company or any Group Company which he creates, develops, receives or obtains while in the service of the Company or any Group Company. This restriction shall continue to apply after the termination of the Appointment howsoever arising without limit in time.
- 10.2 Reference to confidential information in this clause 10 shall not include information which is in the public domain at the time of its disclosure or which comes into the public domain after its disclosure otherwise than by reason of a breach of this agreement, information

which was already demonstrably known to the receiving party at the date of disclosure and had not been received in confidence from the Company or information which is required to be disclosed as a matter of law. It shall include information in the public domain for so long as the Executive is in a position to use such information more readily than others who have not worked for the Company.

- 10.3 During the Appointment, the Executive shall not make (other than for the benefit of the Company) any record (whether on paper, computer memory, disc or otherwise) relating to any matter within the scope of the business of the Company or any Group Company or concerning its or their dealings or affairs or (either during the Appointment or afterwards) use such records (or allow them to be used) other than for the benefit of the Company or the relevant Group Company. All such records (and any copies of them) shall belong to the Company or the relevant Group Company and shall be handed over to the Company by the Executive on the termination of the Appointment or at any time during the Appointment at the request of the Board.
- 10.4 The Executive shall not during the Appointment either directly or indirectly publish any opinion, fact or material on any matter within the scope of the business of the Company or any Group Company (whether confidential or not) which might reasonably be expected to have a material adverse effect on the Company (or any Group Company) without the prior approval of the Board.
- 10.5 Nothing in this clause shall prevent the Executive from disclosing information which he is entitled to disclose under the Public Interest Disclosure Act 1998 provided that the disclosure is made in the appropriate way to an appropriate person having regard to the provisions of the Act and he has first fully complied with the Company's procedures relating to such disclosures.
- 10.6 The Executive consents to the Company and other Group Companies holding and processing information about him (for legal, personnel, administrative and management purposes) and, in particular, holding and processing:
- (a) his health records and any medical reports given to or obtained by the Company, to monitor sick leave and take decisions as to his fitness to work or the need for adjustments in the workplace;
  - (b) his racial or ethnic origin, to monitor compliance with the Race Relations Act 1976;
  - (c) his membership of any union, to levy membership fees from salary;
  - (d) any information relating to criminal proceedings in which he has been or is involved, for insurance purposes and to comply with legal requirements and obligations to third parties; and
- 10.7 The Company may make such information available to Group Companies, those who provide products or services to the Company and Group Companies (such as advisers and payroll administrators), regulatory authorities, potential or future employers, governmental or quasi-governmental organisations and potential purchasers of the Company or the business in which the Executive works.
- 10.8 The Executive consents to the transfer of such information to the Company's Group Companies outside the European Economic Area in order to further its business interests.
- 10.9 The Executive will during the course of his employment comply with the terms of the Data Protection Acts 1998. Details of his obligations under this Act are available from the Company Secretary.

## 11. **INVENTIONS AND CREATIVE WORKS**

- 11.1 For the purposes of this clause, "**Intellectual Property Rights**" means any and all patents, trade marks, service marks, rights in designs, get-up, trade, business or domain names, goodwill associated with the foregoing, copyright (including rights in computer software and databases), topography rights (in each case whether registered or not and any applications to register or rights to apply for registration of any of the foregoing), rights in inventions, know-how, trade secrets and other confidential information, rights in databases and all other intellectual property rights of a similar or corresponding character which may now or in the future subsist in any part of the world.
- 11.2 The Executive acknowledges that because of the nature of his duties and the particular responsibilities arising as a result of such duties which he owes to the Company and the Group Companies he has a special obligation to further the interests of the Company and the Group Companies. In particular, the Executive's duties will include reviewing the products and services of the Company and Group Companies with a view to identifying and implementing potential improvements.
- 11.3 The Executive shall promptly disclose to the Board any idea, invention or work which is relevant to (or capable of use in) the business of the Company or any Group Company now or in the future made by him in the performance of his duties for the Company or any group company. The Executive acknowledges that all Intellectual Property Rights arising from the performance of his duties, subsisting (or which may in the future subsist) in any such ideas, inventions or works will, on creation, vest in and be the exclusive property of the Company and if they do not do so he shall assign them to the Company (upon its request and at its cost). The Executive hereby irrevocably waives any "Moral Rights" which he may have in any such ideas, inventions or works under chapter IV of part I of the Copyright, Designs and Patents Act 1988.
- 11.4 The Executive hereby irrevocably appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing and generally to use his name for the purpose of giving to the Company or its nominee the full benefit of this clause and acknowledges in favour of any third party that a certificate in writing signed by any director or secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case.

## 12. **GARDEN LEAVE**

- 12.1 Despite any other provision in this agreement the Company is under no obligation to provide the Executive with work and the Board may (at any time if either party serves notice to terminate the Appointment or if the Executive purports to terminate the Appointment without due notice and the Company has not accepted that resignation) require the Executive to perform no duties whatsoever or such duties as it may reasonably require, in each case for up to three months in total at any one time and without having to give any reason for so doing.
- 12.2 During any period in which the Company exercises its rights under clause 12.1 ("**Garden Leave**") the Executive shall:
- (a) remain an employee of the Company and be bound by the terms of this agreement (in particular clauses 7 and 10);
  - (b) not have any contact or communication with any client or customer employee, officer, director, agent or consultant of the Company or any Group Company except the Chief Executive Officer or the Chief Operations Officer save with the prior written consent of the Board;

- (c) keep the Board informed of his whereabouts (except during any periods taken as holiday) so that he can be called upon to perform any appropriate duties as required by the Board;
- (d) continue to receive the Salary, and contractual benefits in the usual way.

### **13. RESTRICTIONS AFTER TERMINATION**

- 13.1 The Executive acknowledges that because of the nature of his duties and the particular responsibilities arising as a result of such duties owed to the Company and each Group Company he has knowledge of trade secrets and confidential business information (including details of customers) and is therefore in a position to harm its legitimate business interests if he were to make use of such trade secrets or confidential business information for his own purposes or the purposes of another. Accordingly, having regard to the above, the Executive accepts that the restrictions in this clause are reasonable.
- 13.2 The Executive covenants to the Company (for itself and as trustee for each Group Company) that in order to protect the confidential information, trade secrets and business connections of the Company and each Group Company he shall not for the following periods after Termination howsoever arising (but excluding repudiatory breach of this agreement by the Company) save with the prior written consent of the Board (which shall not be unreasonably withheld or refused) directly or indirectly, either alone or jointly with or on behalf of any third party and whether on his own account or as principal, partner, shareholder, director, employee, consultant or in any other capacity whatsoever:
  - (a) for six months following Termination and in competition with the Company or any Relevant Group Company engage, assist or be interested in any undertaking which carries on diamond exploration, development and/or mining in an area within 30 kilometres of the boundary of any land leased or licensed to the Company or any Relevant Group Company at the date of Termination;
  - (b) for six months following Termination and in competition with the Company or any Relevant Group Company solicit or interfere with or endeavour to entice away from the Company or any Group Company any Employee of the Company or any Relevant Group Company ;
  - (c) at anytime following Termination represent himself as then being in any way connected with or interested in the business of the Company or any Relevant Group Company.
- 13.3 Each of the obligations in this clause is an entire, separate and independent restriction on the Executive, despite the fact that they may be contained in the same phrase and if any part is found to be invalid or unenforceable the remainder will remain valid and enforceable.
- 13.4 The Executive acknowledges that each and every restriction contained within this clause is intended by the parties to apply after Termination whether Termination is lawful or otherwise.
- 13.5 While the restrictions are considered by the parties to be fair and reasonable in the circumstances, it is agreed that if any of them should be judged to be void or ineffective for any reason, but would be treated as valid and effective if part of the wording was deleted, they shall apply with such modifications as necessary to make them valid and effective.
- 13.6 The Executive will (at the request of the Board and cost of the Company) enter into a direct agreement with any Group Company under which he will accept restrictions

corresponding to the restrictions contained in this clause (or such as will be appropriate in the circumstances) in relation to such Group Company.

- 13.7 The provisions of this clause will not prevent the Executive from holding an Investment.
- 13.8 If the Executive is offered employment or a consultancy arrangement or a partnership or any other engagement with a third party at any time during the six months following Termination (howsoever arising), he will supply that third party with a copy of clause 13 of this agreement.
- 13.9 For the purposes of this clause:
- (a) **"Relevant Group Company"** means any Group Company (and, if applicable, its predecessors in business) for which the Executive performed services to a material degree or in which he held office at any time during the 12 months prior to Termination;
  - (b) **"Termination"** means the date of termination of the Appointment.

#### **14 TERMINATION BY EVENTS OF DEFAULT**

- 14.1 The Company may terminate the Appointment by notice but with immediate effect if the Executive shall have committed any serious breach or (after warning in writing) any repeated or continued material breach of his obligations to the Company or (in the reasonable opinion of the Board) shall have failed to perform his duties to a satisfactory standard or shall have been guilty of any act of dishonesty or serious misconduct or any conduct which (in the reasonable opinion of the Board) tends to bring himself, the Company or any Group Company into disrepute or shall be declared bankrupt or shall compound with his creditors or;
- (a) is guilty of gross misconduct or commits any serious or (after warning) repeated or continued material breach of his obligations to the Company (other than by reason of absence due to illness or injury);
  - (b) becomes bankrupt or makes any arrangement or composition with or for the benefit of his creditors;
  - (c) is convicted of any criminal offence (other than an offence under any road traffic legislation in the United Kingdom or elsewhere for which a fine or non-custodial penalty is imposed) or any offence under any regulation or legislation relating to insider dealing;
  - (d) is disqualified from holding any office which he holds in any Group Company ;
  - (e) becomes of unsound mind or a patient under any statute relating to mental health;
  - (f) fails (in the reasonable opinion of the Board after a full investigation) to perform his duties to a satisfactory standard;
  - (g) does anything (in the course of his duties or otherwise) which (in the reasonable opinion of the Board after a full investigation) does actually or might reasonably be expected to bring himself or any Group Company into disrepute;
- 14.2 Any delay by the Company in exercising such right to terminate shall not constitute a waiver thereof.

## **15 INCAPACITY AND MEDICAL EXAMINATION**

- 15.1 Provided the Executive complies with the Company's rules on notification and evidence of absence due to illness or injury (as amended from time to time) he shall be paid the Salary and receive his contractual benefits during any absence from work due to illness or injury for an aggregate of up to 130 working days in any period of 12 months. Such payments shall be reduced by the amount of any insurance or other benefit to which he is entitled as a result of his incapacity and any sickness or other benefit to which he is entitled under social security legislation for the time being in force. Thereafter, the Company may by notice and with immediate effect (or from a future date specified in the notice) discontinue payment (in whole or part) of the Salary and provision of any benefits until such incapacity shall cease.
- 15.2 If the Executive is away from work due to illness or injury for a consecutive period of 45 working days or the Board reasonably envisages that he will be away for such a period the Company may appoint another person or persons to perform the Executive's duties until he returns to work.
- 15.3 The Company may require the Executive to undergo examinations by medical advisers appointed or approved by the Board and the Executive authorises such advisers to disclose to the Company the results of such examinations and to discuss with it any matter arising from such examinations that may affect the Executive's performance of his duties.
- 15.4 In the event that the Executive is absent from work due to illness or injury for an aggregate in excess of one hundred and thirty (130) working days in any period of twelve (12) months, the Company may terminate the Appointment by giving not less than 65 business days notice.

## **16. OBLIGATIONS UPON TERMINATION**

- 16.1 Upon termination of the Appointment howsoever arising the Executive shall (if the Board so requests):
- (a) immediately resign without claim for compensation from all Offices held in any Group Company and membership of any organisation and any Office in any other company acquired by reason of or in connection with the Appointment and should he fail to do so the Executive hereby irrevocably appoints the Company to be his attorney in his name and on his behalf to execute any documents and to do any things necessary or requisite to give effect to this clause;
  - (b) deliver to the Company all documents (including, but not limited to, correspondence, lists of clients or customers, plans, drawings, accounts and other documents of whatsoever nature and all copies thereof, whether on paper, computer memory or otherwise) made, compiled or acquired by him during the Appointment and relating to the business, finances or affairs of the Company or any Group Company and any other property of any Group Company which is in his possession, custody, care or control;
  - (c) irretrievably delete any information relating to the business of the Company or any Group Company stored on any magnetic or optical disc or memory and all matter derived there from which is in his possession, custody, care or control outside the premises of the Company and shall produce such evidence of compliance with this sub-clause as the Company may require; and
  - (d) transfer (without payment) to the Board (or as it may direct) any qualifying or nominee shareholdings which he holds in connection with the Appointment and the

Executive hereby irrevocably appoints the Company to be his attorney to execute such transfers on his behalf.

- 16.2 Upon termination of the Appointment howsoever arising the Executive shall have no rights as a result of this agreement (or any alleged breach of it) to any compensation under or in respect of any share option, bonus or long-term incentive plans in which he may participate or have received grants or allocations at or before the date the Appointment terminates. Any rights that he may have under such schemes shall be exclusively governed by the rules of such schemes.

## **17. RECONSTRUCTION AND AMALGAMATION**

If the Executive's employment is terminated at any time in connection with any reconstruction or amalgamation of the Company or any Group Company whether by winding up or otherwise and he receives an offer of employment on terms which (considered in their entirety) are no less favourable to any material extent than the terms of this agreement from an undertaking involved in or resulting from such reconstruction or amalgamation he shall have no claim whatsoever against the Company or any such undertaking arising out of or connected with such termination.

## **18. DISCIPLINARY AND GRIEVANCE PROCEDURES**

- 18.1 The Executive is subject to the Company's disciplinary and grievance procedures, copies of which are available from the Chief Operations officer. For statutory purposes there is no formal disciplinary procedure in relation to the Executive's employment. If the Executive is not satisfied with any disciplinary decision taken in relation to him he may apply in writing within 14 days of that decision to the Chairman whose decision shall be final. If the Executive has any grievance in relation to his employment he may raise it in writing with the Chairman whose decision shall be final.
- 18.2 The Board may at any time suspend the Executive for a period of up to four weeks for the purposes of investigating any allegation of misconduct or neglect against him and during this period he will continue to receive his salary and all contractual benefits but will not (except with the prior written approval of the Board) attend any premises of or contact any employee (other than any director) of the Company or any Group Company.

## **19. NOTICES**

Any notice to be given hereunder shall be in writing. Notices may be given by either party by personal delivery or post or by fax or e-mail 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) his last known address. Any such notice given by letter or fax or e-mail shall be deemed to have been served at the time at which the notice was delivered personally or transmitted by fax or (if sent by post) would be delivered in the ordinary course of post.

## **20. ENTIRE AGREEMENT**

- 20.1 Each party on behalf of itself and (in the case of the Company, as agent for the Group Companies) acknowledges and agrees with the other party (the Company acting on behalf of itself and as agent for each Group Company) that:
- (a) this agreement constitutes the entire and only agreement between the Executive and any Group Company relating to his employment with the Company;
  - (b) neither he nor it nor any Group Company has been induced to enter into this agreement in reliance upon, nor has any such party been given, any warranty, representation, statement, assurance, covenant, agreement, undertaking, indemnity or commitment of any nature whatsoever other than as are expressly

set out in this agreement and, to the extent that any of them has been, it (in the case of the Company, acting on behalf of all Group Companies) and he unconditionally and irrevocably waives any claims, rights or remedies which any of them might otherwise have had in relation thereto

provided that the provisions of this clause 20.1 shall not exclude any liability which any of the parties or, where appropriate, the Group Companies would otherwise have to any other party or, where appropriate, to the Group Companies or any right which any of them may have in respect of any statements made fraudulently by any of them prior to the execution of this agreement or any rights which any of them may have in respect of fraudulent concealment by any of them.

20.2 This agreement may be varied only by a document signed by each of the parties and expressly incorporating the terms of this agreement as varied into that document.

20.3 Any previous agreement or arrangement between the Company or any Group Company and the Executive shall be deemed to have been terminated by mutual consent as from the commencement of the Appointment.

## **21. PROPER LAW**

21.1 This agreement (and any dispute, controversy, proceedings or claim of whatever nature arising out of or in any way relating to this agreement or its formation) shall be governed by and construed in accordance with English law.

21.2 Each of the parties to this agreement irrevocably agrees that the courts of England shall have exclusive jurisdiction to hear and decide any suit, action or proceedings, and/or to settle any disputes which may arise out of or in connection with this agreement and, for these purposes, each party irrevocably submits to the jurisdiction of the courts of England.

## **22. CONSTRUCTION**

22.1 The headings in this agreement are inserted for convenience only and shall not affect its construction.

22.2 Any reference to a statutory provision shall be construed as a reference to any statutory modification or re-enactment thereof (whether before or after the date hereof) for the time being in force.

22.3 The schedules to this agreement form part of (and are incorporated into) this agreement.

22.4 No modification, variation or amendment to this agreement shall be effective unless such modification, variation or amendment is in writing and has been signed by or on behalf of both parties.

## **23. COUNTERPARTS**

23.1 This agreement may be executed by counterparts, which together shall constitute one agreement. Either party may enter into this agreement by executing a counterpart or this agreement shall not take effect until it has been executed by both parties. Delivery of an executed counterpart of a signature page by facsimile shall take effect as delivery of an executed counterpart of this agreement provided that the relevant party shall give the other the original of such page as soon as reasonably practicable thereafter.

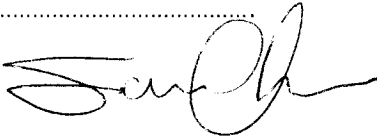
**24. THIRD PARTY RIGHTS**

The Contracts (Rights of Third Parties) Act 1999 shall not apply to this agreement. No person other than the parties to this agreement shall have any rights under it and it will not be enforceable by any person other than the parties to it.

**IN WITNESS** whereof this agreement has been executed as a deed and delivered on the date first above written.

Signed as a deed by **James Seymour** )  
**Cable** in the presence of: )



.....  
Witness signature: 

Witness name: SIM SWINN

Witness address: 22 GROVENOR SQ, LONDON, W1K 6LF

Witness occupation: SOLICITOR

Signed as a deed by **Timothy Read** for )  
and on behalf of **KOPANE DIAMOND** )  
**DEVELOPMENTS PLC** )

