Drago - Calm

AGREEMENT made effective the 1st day of May 2003.

BY AND BETWEEN:

CEAPRO INC., incorporated under the laws of Canada, 4046 RTF University of Alberta, 8308 – 114 Street, Edmonton, Alberta, Canada T6G 2E1 ("Ceapro"); and

DRAGOCO, INC., incorporated under the laws of the State of New Jersey, 10 Gordon Drive, Totowa, New Jersey, USA 07512 ("Dragoco").

1. **Sale of Goods:** Ceapro shall sell to Dragoco and Dragoco shall purchase from Ceapro Dragoco's entire requirements for the Product more particularly described on Schedule A hereto (the "Product"). During the term of this Agreement, Dragoco shall not purchase the Product from anyone other than Ceapro, and Ceapro shall not sell the Product for use in the personal care and cosmetics products to anyone other than Dragoco for cosmetic and personal care markets worldwide.

2. **Purchase Price:**

   A. The purchase price for the Product shall be as set forth on Schedule A

   B. Dragoco shall purchase from Edmonton, Alberta, Canada.

3. **Payment of Purchase Price:** Ceapro shall invoice Dragoco for each shipment, and Dragoco shall make payment to Ceapro no later than thirty (30) days following the later of the receipt of the shipment or the invoice therefore.

4. **Product Branding, Labeling, Shipping, and Billing:** Ceapro grants to Dragoco all rights to name and label the Product. Ceapro shall:

   A. Properly pack, label with Dragoco label, and ship the Product as directed by Dragoco;

B. Provide with each shipment a certificate of analysis, MSDS forms, and packing slips with Dragoco's order number marked thereon;

C. Properly mark each package with Dragoco's order number, the factory, plant, and dock number, and, where multiple packages comprise a single shipment, consecutively number each package; and

D. Properly forward the original bill of lading or other shipping receipt for each shipment in accordance with Dragoco's instructions.

Ceapro will include on bills of lading or other shipping receipts correct classification identification of the Product shipped in accordance with Dragoco's instructions and carrier's requirements. The marks on each package and identification of the product or packing slips, bills of lading, and invoices shall be sufficient to enable Dragoco to easily identify the Product purchased.

5. **<u>Warranties:</u>**

Ceapro warrants that:

A. The Product will conform to specifications, samples, and descriptions furnished to Dragoco;

B. The Product will conform to the specifications of the Product that was previously manufactured under Ceapro's control;

C. Ceapro is the sole owner of all intellectual property rights of the Product (including, but not limited to, any application for patent pending), or any patent issued with respect to the Product;

D. The Product and any patent or patents issued thereto, do not infringe upon any other patent previously issued;

E. Ceapro has the full right, power, and authority to enter into this agreement.

6. **Contract Activation as to the Product:**

Dragoco shall pay Ceapro [redacted] ("Product Activation Fee"), upon acceptance of this Agreement.

7. **Insurance of Supply:**

A. Ceapro shall prepare written documentation, including the applicable formula and methods sufficient to enable a qualified production facility to manufacture the Product, and deliver the same in sealed envelopes marked with the name of the particular Product to the Escrow Agent named herein (the "Escrowed Document or Documents"), it being the intention of the parties that the formula and methods should remain proprietary to Ceapro, except as expressly provided herein.

B. For so long as Ceapro continues to manufacture and supply Dragoco with its requirements of the Product, Dragoco shall have no right to release of the Escrowed Documents. In the event, however, that Ceapro cannot materially perform its obligations hereunder for manufacture and delivery of Dragoco's requirements of any Product, Dragoco shall have the right to request in writing that the Escrow Agent release to Dragoco the particular Escrowed Document or Documents concerning the particular Product, and the Escrow Agent shall release such requested Escrowed Document or Documents.

C. Should it later be determined in Arbitration proceedings as provided for in paragraph 11 hereof that Dragoco wrongfully demanded release of an Escrowed Document or Documents, Dragoco shall pay Ceapro U.S[redacted] as liquidated damages.

D. The Escrow Agent shall be Kenneth J. Grispin, Esq., and if he is unable to serve, such other agent as the parties may agree, and Dragoco shall pay the Escrow Agent's fee.

E. Dragoco and Ceapro jointly and severally agree to indemnify the Escrow Agent and to hold the Escrow Agent harmless from any loss, liability, and expense incurred without willful malfeasance or bad faith on the part of the Escrow Agent arising out of or in connection with the acceptance or administration by the Escrow Agent of its duties hereunder, including the fees, costs, and expenses of defending itself against any claims of liability hereunder.

F. In the event the Product is patented and should Dragoco be entitled to a release of the Escrowed Document or Documents pursuant to subparagraph B hereof, Ceapro hereby grants Dragoco a royalty-free license to manufacture and vend said Product and hereby grants Dragoco a security interest in the relevant patent or patents.

8. <u>Term:</u>

A. This Agreement shall remain in effect for five (5) years commencing on the date that Dragoco pays the [redacted] to activate the Product line.

B. Dragoco shall have the option to renew this agreement for one successive five (5) year term, without the payment of an additional Product Activation Fee so long as the minimum volume purchased by Dragoco is a minimum of [redacted] tonnes per year for the first year of this agreement and a minimum of [redacted] tonnes per year for the last 4 years of this agreement. Dragoco shall exercise this option by giving Ceapro written notice of its intention no later than 180 days prior to the date the term expires. By December 31, 2003, and by December 31 of each year thereafter, Dragoco shall provide Ceapro with Dragoco's forecast for sales of the Product for the following calendar year.

9. <u>Non-Assignment:</u> Neither party shall, without the prior written consent of the other, which consent shall not be unreasonable withheld, transfer the whole or any part of this Agreement or any of its interest, rights, or obligations hereunder, except that Dragoco may transfer its interest, rights, or obligations to any subsidiary of Dragoco where Dragoco has a controlling ownership in such subsidiary and, always provided that, said subsidiary shall, prior to any such transfer, enter into a written agreement with Ceapro whereby the subsidiary will agree to be bound by and comply with the terms of this Agreement, and provided further that Dragoco shall remain liable to Ceapro for any default by such subsidiary.

Ceapro is aware that on or about March 31, 2003, Harmann & Reimer will be merged into Dragoco and that Dragoco's name will be changed to Symrise, Inc. and upon the name change, the word "Dragoco" in the agreement shall be deemed to be "Symrise".

10. Dispute Resolution:

A. All disputes and differences of any kind arising under this Agreement, or arising between the parties, including the existence or continued existence of this Agreement and the arbitrability of a particular issue which cannot be settled amicably by the parties shall be referred to mediation, using a mediator acceptable to both parties and the most cost effective means of mediation available.

B. All disputes and differences of any kind arising under this Agreement, or arising between the parties, including the existence or continued existence of this Agreement and the arbitrability of a particular issue which cannot be settled amicably or through the use of mediation by the parties, may be referred by either party to arbitration in New York, New York pursuant to the International Arbitration Rules of the American Arbitration Association.

C. The decision of the arbitrator shall be final and binding upon the parties and may be enforced in any court of competent jurisdiction, and no party shall seek redress against the other in any court or tribunal except solely for the purpose of obtaining execution of the arbitration award or of obtaining a judgment consistent with the award or for a temporary restraining order, a preliminary injunction, or other equitable or similar remedy designed to preserve the status quo or prevent irreparable harm.

D. During any adjudication pursuant to this paragraph, the parties shall continue to fulfill their respective obligations under this Agreement, unless the subject matter of the dispute is of such a nature that this is by no means possible until the dispute has been finally settled.

E. The governing law of the contract shall be the law of New York, and the parties specifically exclude the provisions of the United Nations Convention on Contracts for the International Sale of Goods (the "Convention"). Without limiting the generality of the foregoing, the parties acknowledge that the provisions of the Convention shall not apply to this Agreement or to the interpretation or enforcement of this Agreement.

11. Indemnification:

A. Ceapro and Dragoco shall, at all times, indemnify and defend at its own expense the other from and against all claims, demands, losses, damages, costs, actions, liabilities, or other proceedings made, sustained, brought or prosecuted by any person in any manner based upon, occasioned or attributed to any injury or damage arising out of, derived from, or related to the performance of the other.

B. Ceapro will indemnify and defend Dragoco from and against any claim made or action brought against Dragoco for infringement of any patent or any other intellectual property rights related to the Product.

12. Notice: Any notice or other writing required or permitted to be given under this Agreement or for the purpose of it to any party, shall be sufficiently given if delivered personally, or if sent by prepaid registered mail or if transmitted by telex, telefax, or other form of recorded communication to that party:

A. In the case of a notice to Ceapro, at:

Ceapro Inc.
4046 RTF University of Alberta
8308 – 114 Street
Edmonton, Alberta, Canada T6G 2E1
Attention: President

B. In the case of a notice to Dragoco, at:
Dragoco, Inc.
10 Gordon Drive
Totowa, New Jersey 07512
Attention: President, Cosmetics Division

or at any other address as the party to whom the writing is to be given shall have last notified the other party. Any notice delivered to the party to whom it is addressed shall be deemed to have been given and received on the day it is delivered at that address, provided that if that day is not a business day then the notice shall be deemed to have been given and received on the first business day following that day. Any notice mailed shall be deemed to have been given and received on the third business day next following the date of its mailing. Any notice transmitted by telex, telefax, or other form of recorded communication shall be deemed given and received on the first business day after its transmission.

13. **Fax Counterpart:**

This Agreement constituted by its acceptance and any collateral document may be executed by any party hereto or thereto, by signing a counterpart hereof or thereof, each of which counterparts so executed shall be deemed to be an original, and such counterparts together shall constitute a single instrument. Facsimile execution shall be valid with originals to follow in due course.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written.

CEAPRO INC.

By: Mark R...

May 29, 2003.

DRAGOCO, INC.

By: ...

June 16, 2003

The undersigned agrees to serve as Escrow Agent.

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SCHEDULE A – Distribution for Product

Product:	Drago-Calm (100 ppm Avenanthramide Oat Extract)
Territory:	Global Market – Exclusive to Dragoco
Vertical Markets:	Distribution to all cosmetic manufacturers worldwide. Ceapro retains the rights to use these materials in end products of its own manufacture, but relinquishes all rights to redistribution to other like manufacturers.
Activation Fee:	[redacted] USD
Pricing to Dragoco:	Unless replaced by further agreement or a joint venture undertaking, Dragoco will acquire the Product on a wholesale distribution basis from Ceapro Inc., Ex Works, Edmonton, Alberta. Ceapro's transfer price to Dragoco shall be US$[redacted] per kg. with a minimum order volume of one (1) tonne. A 10% handling fee will be added to the price to Dragoco for all pail orders.
Testing/Certification:	Ceapro will conduct QC analysis.