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WRITERS DIRECT DIAL NUMBER

(212) 705-

Date: APR 6, 1991

2520040153516

Top Hat Plan Exemption
Room N-5644
U.S. Dept. of Labor
200 Constitution NW
Wash. DC 20210

Dear Sir or Madam:

I am the attorney who represents the following employer who has just implemented a "top hat" plan (an unfunded or insured pension plan maintained by an employer for a select group of management or highly compensated employees) which is subject to Dept. of Labor Reg. Section 2520.104-23:

Rolex Watch USA, Inc
Attn: Mike Elms
665 Fifth Ave
New York, NY 10022
Tel 212-758-7700
Federal EIN # 13-1574389

Please be advised that the name of the plan being implemented is the "Rolex Watch USA, Inc. Special Insurance and Deferred Compensation Plan" and this plan will have two

U.S. Dept of Labor

-2-

Date: APR 6, 1995

participants. The employer has also for many years maintained another top hat plan named the "Rolex Watch USA, Inc. Deferred Compensation Plan" which has three participants (two of whom are retired). Please contact me if you need any other information.

Sincerely,



Kenneth N. Sacks

KNS/kns

SPECIAL INSURANCE AND DEFERRED COMPENSATION AGREEMENT

AGREEMENT made the ____ day of _____, 1995, which shall be effective on the date listed in the last paragraph below, by and between ROLEX WATCH U.S.A., INC., a corporation organized under the laws of the State of New York (hereinafter called "the Corporation") and Maria Lorenz, (hereinafter called "the Employee").

WHEREAS, the Employee is currently employed by the Company in a high-level executive capacity; and

WHEREAS, in recognition of past service and in anticipation of the continued service of the Employee to the Corporation, the Corporation desires to provide to the Employee certain deferred compensation benefits and certain benefits to the Employee's beneficiary or beneficiaries in the event of his/her death;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. In recognition of the Employee's past service to the Corporation, and in consideration of his/her continued employment by the Corporation, the Corporation subject to the terms and conditions hereinafter set forth agrees that if the Employee remains in the continuous employ of the Corporation until his/her Retirement Date, upon such Retirement Date (as hereafter defined) the Corporation shall pay the Employee a lump sum benefit of two hundred fifty thousand dollars (\$250,000). For the purposes of this Agreement Retirement Date shall mean the first day of the month coinciding with or next following the Employee's sixty-fifth (65) birthday or such earlier or later date as may be agreed between the Employee and the Corporation.

2. All rights to any payment pursuant to Paragraph 1 shall be immediately forfeited and all obligations of the Corporation to pay premiums pursuant to Paragraph 3 shall terminate if the employment of the Employee is terminated for any reason prior to the Retirement Date, including his death.

3. Further in recognition of the Employee's past service to the Corporation, and further in consideration of his continued employment by the Corporation, the Corporation agrees that it will secure from a reputable insurance company (hereinafter referred to as the "Insurer") a one million dollar (\$1,000,000) life insurance policy on the life of the Employee. The Corporation, which shall be the owner of the policy, shall maintain the policy until the earlier of (i) the Retirement Date or (ii) the Employee's 65th birthday. The Corporation shall maintain the policy by paying the annual policy premium.

4. The Employee may, by an instrument in writing delivered to the Corporation prior to his/her death, name a beneficiary or beneficiaries to receive any payments due under the life insurance policy described in paragraph 3 upon his/her death, and he/she may change any of said beneficiaries without said beneficiaries' consent by written notice delivered to the Corporation at any time and from time to time prior to his/her death, and for all purposes

hereof the Company shall be bound by the designation last filed with it by the Employee. In the absence of such designation of beneficiary by the Employee, or if no such beneficiary shall survive him/her, then, for the purpose hereof, his/her beneficiary hereunder shall be deemed to be his/her legal representative.

5. Except as otherwise provided in this Agreement, it is agreed that neither the Employee nor any beneficiary or beneficiaries, shall have any right to commute, sell, assign, transfer, or otherwise convey the right to receive any payments hereunder, which payments and the right thereto are expressly declared to be non-assignable and non-transferable.

6. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and the Employee, his/her designated beneficiary or beneficiaries or any other person. Any funds which may be invested under the provisions of this Agreement or any life insurance policies or annuity contracts owned by the Corporation shall continue for all purposes to be a part of the general funds of the Corporation and no person other than the Corporation shall by virtue of the provisions of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from the Corporation under this agreement, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

7. This Agreement has been implemented with other nearly identical Agreement(s) which in combination will be known as the "Rolex Watch U.S.A., Inc. Special Insured and Deferred Compensation Plan". The "Rolex Watch U.S.A., Inc. Special Insured and Deferred Compensation Plan" is intended to be an unfunded deferred compensation plan for the benefit of a select group of management or other highly-compensated employees within the meaning of the Employee Retirement Income Security Act or 1974 (ERISA), as amended.

8. The benefits payable under this Agreement shall be independent of, and in addition to, any other compensation payable by the Corporation to the Employee, whether as salary, bonus, or otherwise. This Agreement shall not be deemed to constitute a contract of employment between the parties hereto, nor shall any provision hereof restrict the right of the Corporation to discharge the Employee, or restrict the right of the Employee to terminate his employment.

9. Unless otherwise agreed to, the Agreement is binding on and will inure to the benefit of any successor to the Corporation, whether by way of merger, consolidation, purchase or otherwise.

10. Any deferred compensation payable under this Agreement shall not be deemed salary or other compensation to the Employee for the purpose of computing benefits to which he/she may be entitled under any retirement plan or other arrangement of the Corporation for the benefit of its employees.

11. The Corporation is hereby designated as the named Fiduciary under this Agreement however, pursuant to Department of Labor Regulation 2509.75-5(FR-1, FR-3), the Corporation shall specify an individual to carry out the duties and responsibilities of Fiduciary. The Fiduciary shall have authority to control and manage the operation and administration of this Agreement, and shall be responsible for establishing and carrying out a funding policy and method consistent with the objectives of this Agreement.

The Fiduciary shall make all determinations concerning rights to benefits under this Agreement. The Employee or his/her beneficiary shall file a claim for benefits in writing with the Fiduciary. Any decision by the Fiduciary denying a claim of the Employee or his/her beneficiary for benefits under this Agreement shall be stated in writing and delivered or mailed to the Employee or such beneficiary within a reasonable time not to exceed 90 days.

If the claimant is denied a claim for benefits, such written decision shall:

1. state the reason for the denial;
2. reference the pertinent part of the Agreement on which the denial is based;
3. provide a description of any additional data needed by the claimant to perfect the claim.

In addition, the Fiduciary shall afford a reasonable opportunity to the Employee or such beneficiary for a full and fair review of the decision denying such claim. Such request for review of the decision must be in writing and filed by the Employee or beneficiary within 60 days of the initial decision. The Fiduciary shall furnish a written decision on review within 60 days and shall include specific reasons for the decision on review as well as references to pertinent provisions of the Agreement for which the decision on review is based.

12. This Agreement may not be amended, and no provisions hereof may be waived, except by express written agreement of both parties hereto. The failure of either party to enforce any of the provisions hereof shall not be deemed a waiver thereof.

13. This Agreement and all questions of its interpretation, enforcement and the rights and remedies of the parties hereto shall be determined in accordance with the laws of the State of New York.

14. This Agreement is effective as of the policy date for the life insurance policy described in Paragraph 3.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ROLEX WATCH U.S.A., INC.

By: _____

Title: _____

EMPLOYEE

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SPECIAL INSURANCE AND DEFERRED COMPENSATION AGREEMENT

AGREEMENT made the _____ day of _____, 1995, which shall be effective on the date listed in the last paragraph below, by and between ROLEX WATCH U.S.A., INC., a corporation organized under the laws of the State of New York (hereinafter called "the Corporation") and William Sullivan, (hereinafter called "the Employee").

WHEREAS, the Employee is currently employed by the Company in a high-level executive capacity; and

WHEREAS, in recognition of past service and in anticipation of the continued service of the Employee to the Corporation, the Corporation desires to provide to the Employee certain deferred compensation benefits and certain benefits to the Employee's beneficiary or beneficiaries in the event of his/her death;

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. In recognition of the Employee's past service to the Corporation, and in consideration of his/her continued employment by the Corporation, the Corporation subject to the terms and conditions hereinafter set forth agrees that if the Employee remains in the continuous employ of the Corporation until his/her Retirement Date, upon such Retirement Date (as hereafter defined) the Corporation shall pay the Employee a lump sum benefit of two hundred fifty thousand dollars (\$250,000). For the purposes of this Agreement Retirement Date shall mean the first day of the month coinciding with or next following the Employee's sixty-fifth (65) birthday or such earlier or later date as may be agreed between the Employee and the Corporation.

2. All rights to any payment pursuant to Paragraph 1 shall be immediately forfeited and all obligations of the Corporation to pay premiums pursuant to Paragraph 3 shall terminate if the employment of the Employee is terminated for any reason prior to the Retirement Date, including his death.

3. Further in recognition of the Employee's past service to the Corporation, and further in consideration of his continued employment by the Corporation, the Corporation agrees that it will secure from a reputable insurance company (hereinafter referred to as the "Insurer") a one million dollar (\$1,000,000) life insurance policy on the life of the Employee. The Corporation, which shall be the owner of the policy, shall maintain the policy until the earlier of (i) the Retirement Date or (ii) the Employee's 65th birthday. The Corporation shall maintain the policy by paying the annual policy premium.

4. The Employee may, by an instrument in writing delivered to the Corporation prior to his/her death, name a beneficiary or beneficiaries to receive any payments due under the life insurance policy described in paragraph 3 upon his/her death, and he/she may change any of said beneficiaries without said beneficiaries' consent by written notice delivered to the Corporation at any time and from time to time prior to his/her death, and for all purposes

hereof the Company shall be bound by the designation last filed with it by the Employee. In the absence of such designation of beneficiary by the Employee, or if no such beneficiary shall survive him/her, then, for the purpose hereof, his/her beneficiary hereunder shall be deemed to be his/her legal representative.

5. Except as otherwise provided in this Agreement, it is agreed that neither the Employee nor any beneficiary or beneficiaries, shall have any right to commute, sell, assign, transfer, or otherwise convey the right to receive any payments hereunder, which payments and the right thereto are expressly declared to be non-assignable and non-transferable.

6. Nothing contained in this Agreement and no action taken pursuant to the provisions of this Agreement shall create or be construed to create a trust of any kind, or a fiduciary relationship between the Corporation and the Employee, his/her designated beneficiary or beneficiaries or any other person. Any funds which may be invested under the provisions of this Agreement or any life insurance policies or annuity contracts owned by the Corporation shall continue for all purposes to be a part of the general funds of the Corporation and no person other than the Corporation shall by virtue of the provisions of this Agreement have any interest in such funds. To the extent that any person acquires a right to receive payments from the Corporation under this agreement, such right shall be no greater than the right of any unsecured general creditor of the Corporation.

7. This Agreement has been implemented with other nearly identical Agreement(s) which in combination will be known as the "Rolex Watch U.S.A., Inc. Special Insured and Deferred Compensation Plan". The "Rolex Watch U.S.A., Inc. Special Insured and Deferred Compensation Plan" is intended to be an unfunded deferred compensation plan for the benefit of a select group of management or other highly-compensated employees within the meaning of the Employee Retirement Income Security Act or 1974 (ERISA), as amended.

8. The benefits payable under this Agreement shall be independent of, and in addition to, any other compensation payable by the Corporation to the Employee, whether as salary, bonus, or otherwise. This Agreement shall not be deemed to constitute a contract of employment between the parties hereto, nor shall any provision hereof restrict the right of the Corporation to discharge the Employee, or restrict the right of the Employee to terminate his employment.

9. Unless otherwise agreed to, the Agreement is binding on and will inure to the benefit of any successor to the Corporation, whether by way of merger, consolidation, purchase or otherwise.

10. Any deferred compensation payable under this Agreement shall not be deemed salary or other compensation to the Employee for the purpose of computing benefits to which he/she may be entitled under any retirement plan or other arrangement of the Corporation for the benefit of its employees.

11. The Corporation is hereby designated as the named Fiduciary under this Agreement however, pursuant to Department of Labor Regulation 2509.75-5(FR-1, FR-3), the Corporation shall specify an individual to carry out the duties and responsibilities of Fiduciary. The Fiduciary shall have authority to control and manage the operation and administration of this Agreement, and shall be responsible for establishing and carrying out a funding policy and method consistent with the objectives of this Agreement.

The Fiduciary shall make all determinations concerning rights to benefits under this Agreement. The Employee or his/her beneficiary shall file a claim for benefits in writing with the Fiduciary. Any decision by the Fiduciary denying a claim of the Employee or his/her beneficiary for benefits under this Agreement shall be stated in writing and delivered or mailed to the Employee or such beneficiary within a reasonable time not to exceed 90 days.

If the claimant is denied a claim for benefits, such written decision shall:

1. state the reason for the denial;
2. reference the pertinent part of the Agreement on which the denial is based;
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In addition, the Fiduciary shall afford a reasonable opportunity to the Employee or such beneficiary for a full and fair review of the decision denying such claim. Such request for review of the decision must be in writing and filed by the Employee or beneficiary within 60 days of the initial decision. The Fiduciary shall furnish a written decision on review within 60 days and shall include specific reasons for the decision on review as well as references to pertinent provisions of the Agreement for which the decision on review is based.

12. This Agreement may not be amended, and no provisions hereof may be waived, except by express written agreement of both parties hereto. The failure of either party to enforce any of the provisions hereof shall not be deemed a waiver thereof.

13. This Agreement and all questions of its interpretation, enforcement and the rights and remedies of the parties hereto shall be determined in accordance with the laws of the State of New York.

14. This Agreement is effective as of the policy date for the life insurance policy described in Paragraph 3.

IN WITNESS WHEREOF, the parties have executed this Agreement.

ROLEX WATCH U.S.A., INC.

By: _____

Title: _____

EMPLOYEE

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