



AN IMG ENTERTAINMENT COMPANY

Tingatinga Arts Co-operative Society Limited
Registered 28th July 1990 DSR.410
near Morogoro Stores
Dar es Salaam
Tanzania, Kenya

July 7th 2008

Dear all

Re: TINGA TINGA TALES

As you know, we hope to produce a series of animated television programme(s) which are visually inspired by Tinga Tinga art. (the "Programmes"). Once completed, we hope to secure worldwide exploitation for the Programmes in all forms of media. We hope that the success of the Programmes will awaken the world's interest in and enhance the prominence of the Tingatinga Arts Cooperative. This letter sets out therefore the terms of the agreement reached between us in relation to this exciting project:

1. In consideration of the payment by us to you the sum of 30,000.000 TZS (thirty million Tanzanian shillings) (the "Fee") you hereby agree to do the following:
 - a. to provide the services of no less than 2 and no more than 4 first class trained Tingatinga artists from the cooperative (the "Artists") at the production studio of Tiger Tinga Productions Limited ("TTP") based at Ambar House, Baricho Road Nairobi, Kenya (or such other location in Africa indicated by us) (the "Studio") during the production period of the Programmes commencing on 4th August 2008 to 31st December 2010 (inclusive, but as varied from time to time) (the "Production Period") for the purpose of providing original artwork (in the style of "Tingatinga" but as directed by the production) for the Programmes. It is acknowledged that because of the length of the Production Period and/or of the type of work required, you may be required to replace some or all of the Artists during the Production Period either because the Artist wants to leave the production (after giving us no less than four (4) weeks written notice) or at our written direction. If that occurs and we need a new artist, you hereby agree to replace any departing Artist promptly with a new Artist to provide their services at the Studio in accordance with the provisions of this Agreement; If you are unable to find a suitable replacement Artist within the Co-operative, or we engage a third party replacement artist (not connected to the Co-operative), you agree that we/TTP can employ such third party artist on the understanding that they do not fall under your responsibility.
 - b. to the extent that you own any right or title in and to the name "Tingatinga" which is not already in the public domain; you hereby grant us an irrevocable exclusive royalty-free licence to use and otherwise exploit the title "Tinga Tinga" in connection with the exploitation of the Programmes and all and any rights ancillary, allied and subsidiary therein in all media now know or hereafter devised and to apply for and register trademarks or designs or such other protection as may be available in any country of the world in connection with the Programmes' title "Tinga Tinga" and the development production and exploitation thereof in all media now know or hereafter devised throughout the world in perpetuity.

2. Subject to the full and timely performance and observance of your obligations in this Agreement, we agree to pay to you the Fee (subject to receipt of a valid invoice therefore) in the following installments:
 - a. 25% (7.5 million TZS) on signature of this Agreement and finding the first 4 Artists to work on the Programmes;
 - b. 25% (7.5 million TZS) on delivery and acceptance by us of the Artists' artwork for episode 26 of the Programmes (scheduled to be delivered on or before 13 July 2009);
 - c. 25% (7.5 million TZS) on delivery and acceptance by us of the Artist final Tingatinga artwork for the Programmes (scheduled to be completed on or before 3rd May 2010);
 - d. 25% (7.5 million TZS) on final delivery of all masters of the Programme by us to our financiers (scheduled to be completed on or before 31st December 2010).

All amounts payable by us will be inclusive of VAT (or any other applicable sales and services tax). Further, it is acknowledged that the Fee is a buyout fee for all services rendered and rights and benefits granted hereunder. You acknowledge that all work undertaken at the Studio by the Artists shall be wholly owned by us/TTP absolutely. No further sums shall be payable to you whether in respect of the hours worked or the rights granted hereunder and you acknowledge and agree that you shall not be entitled to and will not make any request for further remuneration of any kind in relation to the exploitation of the Programmes or of any ancillary, allied and subsidiary rights relating thereto.

3. TTP shall engage the Artists by way of written agreement to provide their services at the Studio during the Production Period (the "Production Contract"), which Production Contracts shall include, inter alia, the following terms (which are hereby approved by you):
 - a. provided that the Artists provide their services in accordance with the Production Contract, TTP will pay each Artist 80,000 KES per month ("Fee"). TTP shall also pay for one return journey to and from Tanzania to the Studio by bus for each Artist every six (6) months. The Fee is excluding any service tax chargeable. It is a buy out Fee for all rights and services provided by the Artist and the Artist shall not be entitled to ask for any more money of any kind in relation to the exploitation of the Programme or of any rights relating thereto throughout the world in all and any media now known or hereafter invented forever;
 - b. TTP shall be entitled to deduct and retain out of Fee any sums that TTP is required to withhold to the Kenyan (or other relevant) tax authorities in respect of the Artist's services;
 - c. all work undertaken at the Studio by the Artists shall be wholly owned by TTP/us absolutely forever. The Artists will provide their services under a "work for hire" agreement;
 - d. the Artists shall be required to provide their services from 9am to 6pm each day (with one hour lunch break around 1pm) Monday – Friday (inclusive) during the Production Period Provided that it is understood that TTP may require the Artists to work overtime or a sixth day (either Saturday or Sunday, as directed) if production is behind schedule and if this happens the Artists shall provide their services on such sixth day for no further consideration;
 - e. the Artists shall provide TTP any work permits, passports and visas and such other permits and consents as may be necessary to enable the Artists to provide their services at the Studio or to assist TTP to obtain any required permits;
 - f. the Artists will be solely responsible for arranging and providing their accommodation and food during the Production Period provided that it is acknowledged that TTP will assist the Artists in finding suitable accommodation;
 - g. both parties shall be entitled to terminate the Production Contract provided that each party gives the other party no less than 4 weeks' notice in writing of their intention to do so;

And you hereby represent that the Co-operative shall ensure that all Artists provided by you are aware and do agree to the above terms prior to travelling to the Studio.

4. You acknowledge that if we breach this Agreement, you will be entitled to sue us/TTP under a court of law but you shall not be entitled to stop or restrain the production, distribution, exhibition, advertising or exploitation of the Programmes or products based on the Programmes.

5. This Agreement constitutes the entire agreement between the parties. We shall be entitled to assign the benefit of this agreement to any other person. In the event of conflict between any Swahili language version and English language version of this Agreement, it is agreed by the parties that the English language version will prevail.
6. This Agreement shall be governed by the laws of England and Wales and shall be subject to the non-exclusive jurisdiction of the English and Tanzanian Courts.

SIGNED by


for and on behalf of
Tiger Aspect Productions Limited

Read and Agreed


for and on behalf of
Tingatinga Arts Co-Operative Society Ltd

MBWANA
CHAIR



SABIR CHAMU
VICE CHAIR

A. M. MPATA



TINGATINGA ARTS
P. O. Box 23122
DAR ES SALAAM