ASSET SALE AND PURCHASE AGREEMENT

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The Asset Sale and Purchase Agreement (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Seller"), a company organised and existing under the laws of the [COUNTRY], with its head office located at:

 [YOUR COMPANY ADDRESS]

**AND: [SECOND PARTY]** (the "Buyer"), a company organised and existing under the laws of the [COUNTRY], with its head office located at:

 [BUYER ADDRESS]

WHEREAS the Seller carries on the business [CHOOSE ALL THAT APPLY]: (i) of producing film and television products, (ii) of creating and maintaining websites (through its on-line division), (iii) of furnishing computer graphics and special effects services (through its computer graphics division), (iv) of creating of design and “branding” strategy (through its design division); and (v) of creating of digital effects and production tools for the motion picture industry (through its labs and digital studio division) (the businesses referred to in paragraphs (i) through (v) herein are collectively referred to as the “Businesses”);

AND WHEREAS the Buyer desires to purchase and the Seller desires to sell certain of the assets of the Seller pertaining to the Businesses mentioned above, the whole subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and mutual agreements herein contained, and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party) the parties hereto agree as follows:

**1. INTERPRETATION**

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

1.1.1 “Agreement” means this agreement and all amendments made hereto by written agreement between the Seller and the Buyer;

1.1.2 “Assets” means the assets referred to or described in Section 2.1 and includes the tangible assets set forth in Schedule A (the “Tangible Assets”) and the intellectual property rights set forth in Schedule B;

1.1.3 “Benefit Plans” has the meaning ascribed thereto in Section 3.8;

1.1.4 “Business Day” means a day other than a Saturday, Sunday or statutory holiday in the [COUNTRY];

1.1.5 “Businesses” means the businesses carried on by the Seller as set forth in the preamble hereto.

1.1.6 “Claims” means any loss, liability, cost, fine or expense of any kind other than indirect, consequential or incidental losses or damages such as losses of profits or of business opportunities, including the reasonable cost of legal representation *in re*spect thereof and any interest or penalty in connection therewith;

1.1.7 “Closing Date” means the date of closing of the rights offering of Communications as described in the prospectus dated [DATE] or such other date as may be agreed to in writing between the Seller and the Buyers;

1.1.8 “Concepts” means the concept for motion pictures owned by the Seller;

1.1.9 “Confidential Information” means confidential, secret or proprietary information related to the Businesses, whether recorded or not, howsoever received or generated by the Seller from, through or relating to the Businesses and in whatever form (whether oral, written, machine-readable or otherwise), which pertains to the Businesses and includes, by way of illustration but not limitation: (i) documentation of the Businesses, (ii) financial and marketing information of the Businesses, and (iii) employee, customer and supplier lists, provided, however, that the phrase “Confidential Information” shall not include information which:

(i) is in the public domain, without any fault or violation of this Agreement on the part of the Seller;

(ii) is generally disclosed by the Buyer at the date hereof without any restrictions to third parties;

(iii) after disclosure, it is lawfully received by the Seller from another Person who is lawfully in possession of such Confidential Information, and such other Person was not restricted from disclosing the said Information to the Seller; or

(iv) the Seller is legally compelled to divulge by order of a governmental body or a court of competent jurisdiction.

1.1.10 “Contracts” means those contracts, agreements, and other obligations of the Seller being assumed by the Buyer as set out in Schedule C;

1.1.11 “Effective Date” means [DATE];

1.1.12 “Employees” means the employees employed by the Seller in the Businesses as listed in Schedule E, and who shall be employed by the Buyer as at the Effective Date.

1.1.13 “Encumbrance” means any encumbrance of any kind whatever and includes a security interest, mortgage, lien, pledge, hypothecation, assignment, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), any easement, agreement, right of way (registered or unregistered), restriction, encroachment or any other right or claim of others of any kind whatever affecting the Assets and any restrictive covenant or other agreement, restriction or limitation (registered or unregistered) on the use of the Assets.

1.1.14 “Governmental Agency” means any domestic or foreign government whether, country/provincial, regional or municipal and any governmental agency, governmental authority, governmental tribunal or governmental commission of any kind whatever.

1.1.15 “Intellectual Property Rights” means those intellectual property rights set out in Schedule B;

1.1.16 “Liabilities” means all costs, expenses, charges, debts, liabilities, claims, demands and obligations, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise, under or in relation of any contract being assumed by the Buyer pursuant to this Agreement, as well as all applicable taxes.

1.1.17 “Ordinary course” or “normal course”, when used in relation to the conduct by the Seller of the Businesses, means any transaction which constitutes an ordinary day-to-day business activity of the Seller conducted in a commercially reasonable and businesslike manner consistent with the past practises of the Seller.

1.1.18 “Tangible Assets” means those Assets as are set forth in Schedule A hereto.

1.1.49 “Technologies” means the “resizing algorithm” and the “particle system” being developed by the Seller and which will be transferred to the Buyer as set forth in Schedule B.

1.1.20 “Time of Closing” means [HOUR] [COUNTRY] time) on the Closing Date or such other time on that date as may be agreed in writing between the Seller and the Buyer.

1.1.21 “Trade-Marks” means all the trademarks and company*indicia* owned or used, or which were used at any time, by the Seller and are related to the Businesses, including all applications for same, as disclosed on Schedule B.

1.2 Knowledge

For purposes of this Agreement, the expression “to the best of the knowledge of the Seller” shall refer to the best of the knowledge of any one or more of the following persons: [INDIVIDUAL NAME], [INDIVIDUAL NAME] and [INDIVIDUAL NAME] with respect to matters within their respective areas of responsibility in the Seller.

1.3 Preamble

The preamble here above forms an integral part of this Agreement.

1.4 Headings

The headings of the Articles and sections of this Agreement are for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

where the context so requires, words importing the singular include the plural and *vice versa* and words importing gender include all genders.

1.6 Applicable Law

This Agreement shall be governed by and construed in accordance with [YOUR COUNTRY LAW] applicable in the [COUNTRY].

1.7 Counterparts

This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument.

1.8 Invalidity of Provisions

the invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision hereof,and any such invalid or unenforceable provision shall be deemed to be severable.

1.9 Entire Agreement

This Agreement, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties hereto pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether written or oral, including, without limitation, the offer to purchase executed between the parties and dated [DATE] (the “Offer”). The parties to this Agreement confirm hereby that they have complied with or waived each of the conditions provided in the Offer.

1.10 Amendments

No amendment to this Agreement shall be binding unless executed in writing by each of the parties hereto.

1.11 Successors

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legatees, successors and legal representatives.

1.12 Schedules

the following are the Schedules attached hereto and incorporated by reference and deemed to be part hereof:

Schedule A: Tangible Assets

Schedule B: Intellectual Property Rights

Schedule C: Contracts

Schedule D: Form of Statement

Schedule E: Employees

Schedule F: Benefit Plans

**2. SALE AND PURCHASE**

2.1 Assets to be Sold and Purchased

Upon and subject to the terms and conditions of this Agreement, the Seller hereby sells, with effect as of the Effective Date, to The Buyer and The Buyer hereby purchases from the Seller, the Assets described in Schedules A and B hereof, as well as the benefit of the Contracts assumed as set forth in Schedule C, the whole as more specifically indicated on such Schedules with respect to each Buyer. Notwithstanding the foregoing, Communications and the Seller agree that the sale of the trademark application registered under number [NUMBER], with the [COUNTRY] Trademark Office, shall not take effect until such time that a statement of use has been filed. At such time, Communications and the Seller agree to execute all documents and make all filings, which are necessary to give effect to the sale of such trademark.

2.2 Employees

The Buyer shall make offers of employment and to the extent that such Employees accept such offers, employ, from and after the Effective Date, to the complete discharge of the Seller from and after the Effective Date, the employees set forth in Schedule E.

2.3 Purchase Price

The purchase price payable to the Seller for the Assets (the “Purchase Price”) shall be as follows:

2.3.1 Subject to the adjustments set forth in Section 2.4, the Purchase Price for the Assets, except for (i) the Technologies and (ii) the Concepts, shall be [AMOUNT IN COUNTRY CURRENCY], being the aggregate of the following, which amount shall be paid in full by way of check by the Buyer to the Seller:

(a) [AMOUNT IN COUNTRY CURRENCY];

(b) The amount for the acquisition cost of all Tangible Assets acquired by the Seller after [DATE] in connection with the Businesses, being estimated at [AMOUNT];

(c) Thenumber of prepaid expenses (including prepaid maintenance costs on software) on the Effective Date and related to the Contracts, being estimated at [AMOUNT];

(d) less the amount paid or payable by the Seller as salaries, wages or benefits to the Employees whose names are set forth in Schedule E, for the period commencing on the Effective Date and ending on the Closing Date estimated at [AMOUNT], which amount payable is assumed by the Buyer, the whole in accordance with the respective interests of the Buyer as set forth in Schedules A and B.

* + 1. For the Concepts, the Seller shall be entitled to receive from Productions the sum of [AMOUNT]. Such amounts shall be payable with respect to each Concept provided that such concept is put into production by the Buyer after the Closing Date. The amount, if any, payable pursuant to this Section shall be payable from Productions to the Seller in full, within [NUMBER IN LETTERS] ([NUMBER]) days from the date on which such Concept is formally put into production by the Buyer.
		2. For the purposes, hereof the Concepts, or any of them, shall be deemed as being formally put into production upon shooting of principal photography. Should Productions sell its rights under one or the other of the Concepts prior to being put into production, Productions shall reimburse to the Seller the amount referred to above.
		3. With respect to the Technologies, Labs shall pay to the Seller a royalty equal to [PERCENTAGE %] of the Net Receipts (the “Royalty Payments”). Notwithstanding the foregoing, the total amount of the Royalty Payments to be made hereunder shall not exceed $[AMOUNT]. For the purpose herein, “Net Receipts” shall mean the Net Revenues duly collected by Labs, less any direct out of pocket expenses incurred by Labs in connection with the Technologies from the Effective Date, including without limitation, development costs, improvement costs, patent registration costs and sales and marketing costs.
		4. For the purposes herein, “Net Revenues” shall mean the gross revenues generated from the sale or licencing of the Technologies less any commission and discount or similar expenses. However, the parties agree that any development costs and improvement costs incurred to develop other applications of the Technologies shall be deducted solely against revenues derived from the sales of such other applications.

On the Closing Date, Labs shall pay to the Seller the sum of [AMOUNT] as a recoupable advance against the Royalty Payments. Such advance payment shall be retained by Labs for its own account from the Royalty Payments before any amount becomes payable to the Seller hereunder.

Royalty Payments shall be made on a quarterly basis within [NUMBER] days from the end of each quarter of the financial year of Labs. Labs shall deliver to the Seller a certificate stating with sufficient details the Net Revenues and the Net Receipts. Labs shall keep books of account relating to the revenues and expenses related to the Technologies,and the Seller shall have access to such books and records during normal business hours.

2.4 Post-Closing Adjustments

Forthwith after Closing, the Seller will prepare a statement (the “Statement”) determining the amounts of the adjustments set forth in paragraphs 2.3.1(b) to (d) inclusively. Such Statement shall be prepared and be available within [NUMBER IN LETTERS] ([NUMBER]) days after the date hereof. The form of the certificate is set forth in Schedule D. If any of the Buyer wishes to dispute any matter in the statement, it may do so by notice (the “Notice”) to the Seller given within [NUMBER IN LETTERS] ([NUMBER]) days of the delivery of the Statement to such party, failing which the Buyer shall be deemed to have accepted the Statement. If any Buyer does provide the Notice, then the Statement shall be referred to [COMPANY NAME] (the “Auditors”) for review.

The decision of the Auditors with respect to the Statement shall be final and binding upon the [COMPANY NAME]. The fees and disbursements of the Auditors shall be assumed equally by the [COMPANY NAME]. Amounts relating to the adjustments set forth in the Statement shall be made within [NUMBER IN LETTERS] ([NUMBER]) days from the acceptance or deemed acceptance by the Buyer or any one of them of the Statement as prepared by the Seller, or as determined by the Auditors, as the case may be.

2.5 Transfer Taxes

The Buyer shall pay all taxes, if any, at the Time of Closing to the Seller, unless the conditions specified in Section 2.6 have been satisfied at all times. The Buyer shall pay directly to the appropriate taxing authority, within the time period specified,therefore, all federal and provincial sales taxes (and all other similar taxes, duties, registration charges or other like charges) payable by it *in re*spect of the purchase of the Assets. The Seller shall pay all other taxes eligible arising from the operation of the Businesses prior to the Effective Date.

2.6 Elections

The Seller and The Buyer will, on or before the Time of Closing, jointly execute elections, in prescribed form and containing the prescribed information, to have subsection 167(1.1) of the Excise Tax Act ([COUNTRY]) apply to the sale and purchase of the Assets hereunder so that no tax is payable *in re*spect of such sale and purchase under Part IX of the Excise Tax Act ([COUNTRY]). Each Buyer will file such elections with the Minister of National Revenue within the times prescribed by the Excise Tax Act (COUNTRY).

2.7 Obligations and Liabilities Not Assumed

Except as otherwise provided in this Agreement, each Buyer does not assume and will not be liable for any liabilities of the Seller whatsoever of the Seller relating to the Businesses and accruing up to the Effective Date (including, without limitation, those relating to environmental matters) and any taxes under the Income Tax Act ([COUNTRY]) or any other taxes whatsoever that may be or become payable by the Seller including any income or company taxes resulting from or arising as a consequence of the sale by the Seller to each Buyer of the Assets herein contemplated.

2.8 Assumption by the Buyer

The Buyer shall assume the Contracts set forth in Schedule C from the effective time on the Effective Date, shall pay, discharge and perform the Contracts, the whole in accordance with their respective interests as set forth in Schedule C, from and after the opening of business on the Effective Date and shall indemnify the Seller, from and after the Effective Date, of any Claims with respect to the Contracts. Once the closing has occurred, the Buyer shall be deemed to have assumed the Contracts and no further agreement is required to evidence that fact.

**3. REPRESENTATIONS AND WARRANTIES OF THE SELLER**

The Seller hereby represents and warrants to each Buyer as follows, and acknowledges that The Buyer is relying upon each such representation and warranty in connection with the purchase of the Assets and in order to consent to these presents:

3.1 Company Organisation and Standing

The Seller is duly incorporated, organised, validly existing, and in good standing under the laws of [COUNTRY] and has all requisite corporate power and authority to own all of the properties owned by it and to conduct its business as presently conducted. The Seller is qualified as a company to do business in, and is in good standing, in each jurisdiction in which the nature of the business conducted by it or the properties owned by it makes such qualification necessary.

3.2 Authority and Capacity of the Seller

The Seller has the full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. All actions of the Seller necessary to authorise each of them to execute, deliver and consummate this Agreement, as applicable, have been duly and validly authorised and taken, and no further company actions or authorisations are required. This Agreement and the consummation of the transactions contemplated thereby have been duly authorised,and this Agreement has been duly executed and delivered by the Seller and constitutes a valid, legally binding obligation of the Seller, and is enforceable against the Seller in accordance with its terms.

3.3 No Violation

Neither the execution, delivery and performance of this Agreement nor the sale of the Assets pursuant hereto will (a) violate any provision of the Seller’s contestingdocuments or bylaws or (b) result in the creation or imposition of any Encumbrance, upon the Assets or result in the loss of any benefit under any agreement or commitment to which the Seller is a party and which is being assumed by the Buyer.

3.4 Consents and Approvals

No material consent, approval, permit or authorisation of, or declaration, filing or registration with, any third party or governmental authority is required in connection with the execution, delivery and performance of this Agreement by the Seller and the consummation of the transactions contemplated hereby where the absence thereof would prevent the sale of the Assets.

3.5 Tax

There are no actions, suits, proceedings, investigations or claims or, to the best knowledge of the Seller, threatened or pending *in re*spect of any Taxes, nor are there any matters under discussion with any governmental authority relating to any Taxes asserted by any such authority and which may affect the Assets being purchased hereunder.

3.6 Title to Assets

The Seller has good and valid title to the Assets, free of any Encumbrance, and Encumbrances, if any, which individually or in the aggregate do not materially adversely affect the use or value of any such properties or assets or render title thereto unmarketable. The Tangible Assets are in a good state of repair and fit for the use for which they are intended, normal wear and tear excepted. The Seller has the absolute and unrestricted right, power, authority and capacity to sell, assign and transfer the Assets as herein provided, without the consent of any person or third parties.

3.7 Litigation

There is no action, suit, judgement  and litigation pending or rendered against or relating to the Seller or affecting the Assets or the Businesses, which if determined adversely for the Seller might materially and adversely affect the Assets or the Businesses and the Seller is not aware of any state of facts on which any of the foregoing might be commenced.

3.8 Employee Benefits Plans

Schedule F sets forth the retirement or pension plan, savings plan, health plan, dental plan, short-term and long-term disability plan and all other material employee benefit plans, programmes and arrangements offered to employees of the Seller and which are being assumed by the Buyer (the “Benefit Plans”). Such Benefit Plans are in good standing,and all premiums up to the Effective Date have been paid.

3.9 Intellectual Property Rights

Schedule C annexed hereto is a true and complete list of (i) all registered Intellectual Property Rights and Technology, and (ii) all pending applications for Intellectual Property Rights used by the Seller in connection with the Businesses, and being sold to the Buyer none of which has been opposed or held unenforceable. The Intellectual Property Rights are owned by or validly licenced to the Seller and are in good standing and do not infringe upon the intellectual property rights of any third party. All registrations, filings and statutory fees necessary to preserve the rights of the Seller in and to the Intellectual Property Rights have been made or paid and are in good standing.

3.10 Contracts

Other than the Contracts set forth in Schedule C, the Seller is not a party to or bound by any material contract or commitment relating to the Businesses. With respect to the Contracts, the Seller represents and warrants:

(a) They are in good standing and in full force and effect with no amendments,and the Seller is entitled to all benefits thereunder;

(b) The Seller has complied with all material terms thereof and has not waived any material rights thereunder,and no material default or breach exists *in re*spect thereof on the part of any of the parties thereto and no event has occurred which, after giving of notice or the lapse of time or both, would constitute such a breach or default; and

(c) Upon assumption of any Contract, the Buyer will not suffer any material loss upon performance or any material liability for penalties or damages whether liquidated, direct, indirect incidental or consequential.

3.11 Employee Matters

The Seller has complied with all applicable Laws relating to employment matters relating to those Employees set forth in Schedule E. Except as set forth in Schedules E and F, the Seller is not a party to any pension, retirement, bonus, profit sharing, compensation, incentive, stock purchase, stock option, stock appreciation, severance, change-of-control, savings, thrift, insurance, medical, hospitalization, disability, death or other similar program, or practise providing directors, officers, shareholders or employee benefits.

3.12 Compliance with Law

The Seller has conducted and continues to conduct the Businesses in all material respects in compliance with all laws. There are no material restrictions on the right of the Seller to operate the Businesses nor in the use of any of the Assets.

3.13 No Broker

None of the Seller or any of its shareholders, directors, officers, employees or agents has employed or incurred any liability to any broker, finder or agent for any brokerage fees, finder’s fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated hereby.

3.14 Assets

Those Assets listed in Schedules A and B are accurately described in the Schedules and constitute all assets required to operate the Businesses as has been operated by the Seller.

3.15 Resident

The Seller is not a non-resident of [COUNTRY] within the meaning of the Income Tax Act ([COUNTRY]) and of the Taxation Act ([COUNTRY]).

3.16 Authorities, Permits, Tariffs and Regulatory Authorisations

The Businesses possess all necessary material certificates, licenses, permits or other regulatory authorisations to operate the Businesses as they are presently being carried on.

3.17 Normal Course of Business

since [DATE]:

(i) The Seller has conducted the operations of the Businesses in the ordinary course of business;

(ii) there has not been any material change in the condition of the Businesses or the Assets or the financial position or results of operations of the Seller or the Businesses other than changes in the ordinary course of business, and such changes have not, either individually or in the aggregate, been adverse or have had or may be reasonably expected to have, either before or after the Effective Date, a material adverse effect on the Businesses or the Assets.

3.18 No Other Representations and Warranties. Except as set forth in section 3.1 through 3.17, the Seller makes no other representations or warranties to the Buyer.

**4. REPRESENTATIONS AND WARRANTIES OF THE BUYER**

Each Buyer hereby represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon each such representation and warranty in order to consent to this present:

4.1 Company Organisation and Standing.

The Buyer is a company duly organised, validly existing and in good standing under the laws of [COUNTRY] and is qualified to do business and in good standing under the laws of each jurisdiction in which the nature of its business or the ownership of its properties requires such qualification.

4.2 Company Authority

The Buyer has full corporate power and authority to enter into this Agreement and to carry out the transactions contemplated hereby. All actions of the Buyer necessary to authorise it to execute, deliver and consummate this Agreement have been duly and validly authorised and taken, and no further actions or authorisations are required. This Agreement and the consummation of the transactions contemplated hereby have been duly authorised, and this Agreement has been duly executed and delivered by the Buyer and constitutes a valid, legally binding obligation of the Buyer enforceable in accordance with its terms.

4.3 No Violation

The execution, delivery and performance of this Agreement will not violate any provision of the Buyer’s constating documents or bylaws.

4.4 Consents and Approvals

No consent, approval, permit or authorisation of, or declaration, filing or registration with, any third party or governmental authority is required in connection with the execution, delivery and performance of this Agreement by the Buyer and the consummation of the transactions contemplated hereby.

4.5 No Broker

None of the Buyer or any of its shareholders, directors, officers, employees or agents has employed or incurred any liability to any broker, finder or agent for any brokerage fees, finder’s fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated thereby.

4.6 No Other Representations and Warranties

Except as set forth in sections 4.1 through 4.5, the Buyer makes no other representations or warranties to the Seller.

**5. OTHER COVENANTS**

5.1 No Solicitation

The Seller shall not, for a period of one year from the date hereof, directly or indirectly, alone or in combination with others, hire, offer to hire, entice away or in any manner persuade or attempt to persuade any employee designated as a “key-employee” in Schedule E, discontinue or alter his relation with the Buyer.

5.2 Affiliates

The Seller shall cause its Affiliates to comply with the restrictions and non-solicitation covenants set forth in Article 5.

**6. SURVIVAL AND RELIANCE OF REPRESENTATIONS, WARRANTIES AND INDEMNIFICATION**

6.1 Survival Notwithstanding Investigation

The parties hereto shall be entitled to rely upon the representations and warranties set forth herein and the obligations of the parties hereto with respect thereto shall survive the date hereof and shall continue in full force and effect in accordance with and subject to the terms of this Article 6.

6.2 Indemnification by the Seller

The Seller shall be liable to the Buyer and shall defend, indemnify and hold harmless the Buyer against any and all loss, liability, cost, fine or expense of any kind (other than indirect, consequential or incidental losses or damages such as losses of profits or of business opportunities), including the reasonable cost of legal representation *in re*spect thereof and any interest or penalty in connection therewith (the “Claims”), incurred or suffered by or imposed upon a Buyer arising directly or indirectly out of:

6.2.1 the breach of any representation or warranty of the Seller contained in or contemplated by this Agreement or in any other agreement or document required to be furnished by the Seller to the Buyer hereunder, and

6.2.2 the breach or non-fulfillment of any agreement, covenant, undertaking or obligation of the Seller contained in this Agreement or in any other agreement or document required to be entered into by the Seller pursuant hereto.

6.3 Indemnification by the Buyer. The Buyer shall be liable to the Seller and its directors, officers and employees (collectively, the “Seller’s Indemnified Persons” and singly, a “Seller’s Indemnified Person”) and shall defend, indemnify and hold harmless the Seller against any and all Claims incurred or suffered by or imposed upon any of the Seller’s Indemnified Persons arising directly or indirectly out of:

6.3.1 the breach of any representation or warranty of the Buyer contained in or contemplated by this Agreement or in any other agreement or document required to be furnished by the Buyer to the Seller hereunder;

6.3.2 the breach or non-fulfillment of any agreement, covenant, undertaking or obligation of the Buyer contained in this Agreement or in any agreement or document required to be entered into by the Buyer pursuant hereto;

6.4 Indemnification Against Third-Party Claims.

6.4.1 Promptly upon receipt by any of the Buyer’s or the Seller’s Indemnified Persons (in this paragraph referred to as the “Indemnitee”) of notice of any demand or statement by or on behalf of any person or entity other than the Buyer or the Seller which, if maintained or enforced, will or might result in any Claim of the nature described in section 6.2 or 6.3 (“Third-Party Claim”) *in re*spect of which the Indemnitee proposes to demand indemnification from the Buyer or the Seller (in this section referred to as the “Indemnitor”) pursuant to the provisions hereof, the Indemnitee shall give written notice to that effect to the Indemnitor with reasonable promptness.

6.4.2 The Indemnitor shall have the right by written notice to the Indemnitee not later than [NUMBER] days after giving of the notice described in paragraph 6.4.1 to assume the control of the defense, compromise or settlement of the Third-Party Claim, provided that such assumption shall, by its terms, be without cost to the Indemnitee and shall not limit in any way the Indemnitee’s right to indemnification pursuant to the provisions hereof.

6.4.3 Upon the assumption of control by the Indemnitor as aforesaid, the Indemnitor shall, at its expense, diligently proceed with the defense, compromise or settlement of the Third-Party Claim at Indemnitor’s sole expense, including the retention of counsel, and, in connection therewith, the Indemnitee shall cooperate fully, but at the sole expense of the Indemnitor, to make available to the Indemnitor all pertinent information and witnesses under the Indemnitee’s control, make such assignments and take such other steps as in the opinion of counsel for the Indemnitor are necessary to enable the Indemnitor to conduct such defense.

6.4.4 The final determination of any such Third-Party Claim, including all related costs and expenses, shall be binding and conclusive upon the parties hereto, and the Company as to the validity or invalidity, as the case may be, of such Third-Party Claim against the Indemnitor hereunder. Notwithstanding any provision of this section 6.4, the Indemnitor may not consent to any settlement of a Third-Party Claim if the terms of such settlement require the Indemnitee to act or refrain from acting, without the prior written consent of the Indemnitee.

6.4.5 Should the Indemnitor fail to give notice to the Indemnitee as provided in paragraph 6.4.2, the Indemnitee shall be entitled to make such settlement of the Third-Party Claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the Third-Party Claim shall be binding upon the Indemnitor.

6.5 Indemnification to be After Tax, Insurance, Etc.

Except as provided in section 6.4 above, the amount of the indemnification for any Claim shall be payable on demand and shall be determined after giving effect to any insurance recoveries, actual tax savings and recoveries from third parties and, *in re*spect of a Claim by the Buyer, after deduction of any amounts reserved, accrued or otherwise provided for in the books of the Company.

6.6 Indemnification Sole Remedy

The provisions of this Article 6 shall constitute the sole remedy to the Buyer and the Seller’s Indemnified Persons against any party to this Agreement with respect to any and all breaches or failures of representations and warranties made by such party in this Agreement or pursuant thereto and with respect to any breach or non-fulfillment by any party of any agreement, covenant, undertaking or obligation.

6.7 Expiry and Limit of Liability.

6.7.1 Save and except as provided herein, the representations and warranties of the Seller herein and the representations and warranties of the Buyer herein shall continue in full force and effect for a period of [NUMBER IN LETTERS] ([NUMBER]) years after the date hereof and no Claim shall be made after such termination date by any party based on or arising out of the breach or non-fulfillment of any such representations or warranties;

* + 1. The representations and warranties of the Seller with respect to the matters set forth in section 3.5 shall survive so long as any claim may be made *in re*spect of such matters under any applicable statute of limitations, but the Buyer covenants that, from and after the date hereof, it shall exercise all reasonable efforts to ensure that Tax Returns are duly and timely filed, that proper books and records are maintained and retained and that neither it
		2. nor the Company, without prior written consent of the Seller (which shall not be unreasonably withheld), enter into any agreement, waiver or other arrangement which provides for an extension of time with respect to the filing of any Tax Return or the payment or assessment of any Taxes, dealt with by any such representation or warranty;

6.7.4 The representations and warranties of the Seller with respect to the matters set forth in sections 3.1 to 3.4 and 3.6 shall continue to be in full force and effect after the date hereof without any limitation of time.

6.7.5 In no circumstances shall the obligations of indemnification of the Seller hereunder exceed the Purchase Price.

6.8 Waiver of Sale of Enterprise Provisions and Indemnification

Subject to the indemnification provisions contained herein, the Buyer shall not require the Seller to comply with the requirements of the sale of initiative provisions set forth under the laws of the [COUNTRY]. More specifically, the parties waive the delivery of notice to all creditors of the Seller who have not waived their right to a portion of the purchase price and the preparation of a distribution statement and the distribution of the purchase price in accordance with the laws of the [COUNTRY].

In consideration thereof, the Seller shall indemnify and save harmless the Buyer from and against any claims, demands, actions, damages, losses, costs, liabilities (whether accrued, actual, contingent, latent or otherwise) or expenses (collectively the “Claims”) which may be made or brought against the Buyer by any creditor of the Seller or which it may suffer or be exposed to by virtue of non-compliance with the laws of the [COUNTRY] including without limitation any Claims by unpaid creditors of the Seller made pursuant to the law.

The Seller acknowledges and agrees that this indemnification is in addition to any indemnification provided for in this Agreement and shall continue to be in full force and effect after the date hereof, without any limitation of time. The Buyer shall give notice to the Seller as soon as possible of any Claims and any payments to be made by the Seller to the Buyer in accordance with this section shall be made within [NUMBER] days following the receipt of said notice from the Buyer.

**7. GENERAL PROVISIONS**

7.1 Notices. All communications, notices and demands required or permitted hereunder shall be in writing and telecopied or sent by courier to the following addresses (or to any new address) and shall be deemed to have been received on the date and at the time indicated on the telecopy confirmation if telecopied, and on the date and at the hour shown in the bill of lading, if sent by courier:

7.1.1 If to the Buyer:

[COMPANY NAME]

[FULL ADDRESS]

Attention: [NAME]

Email: [EMAIL ADDRESS]

7.1.2 If to the Seller:

[YOUR COMPANY NAME]

[YOUR COMPLETE ADDRESS]

Attention: [NAME]

Email: [EMAIL ADDRESS]

Each of the parties shall be entitled to specify different or additional addresses by giving written notice to the other party in the manner set forth herein.

7.2 Public Announcement

All public notices to third parties and all other publicity concerning the transactions contemplated herein shall be jointly planned and coordinated by the Seller and the Buyer and neither party shall act unilaterally in this regard without the prior approval of the other party (such approval not be unreasonably withheld), except where required to do so by law or by the applicable regulation in circumstances where prior consultation with the other party hereto is not practicable.

7.3 Indemnification *in Re*spect of Brokers

The Seller shall indemnify and save harmless the Buyer, and the Buyer shall indemnify and save harmless the Seller, for and from any claims for any commission or other remuneration payable or alleged to be payable to any broker, agent or another intermediary who has acted for such respective first mentioned party in connection with the transactions contemplated herein.

7.4 Expenses

Except as otherwise agreed to by the parties, each of the parties hereto will pay his own legal and accounting expenses.

7.5 Further Assurances

The parties hereto agree to promptly do, make, execute, deliver or cause to be done, made, executed or delivered all such further acts, documents and things as the other party hereto may reasonably require for the purpose of giving effect to this Agreement.

7.6 Formal Date

The parties hereto agree that this Agreement shall be deemed to have entered into force as of the Effective Date, notwithstanding that its execution may have been made after said date.

7.7 Obligations of the Buyers

the obligations of the Buyer hereunder shall be, unless otherwise stated, joint and not solidary. Notwithstanding the foregoing, Communications hereby guarantees the performance by the other Buyer of each of every obligation of such Buyers, renouncing to the benefits of division and discussion.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

THE SELLER THE BUYER

Authorised Signature Authorised Signature

Print Name and Title Print Name and Title

### SCHEDULE A

### TANGIBLE ASSETS

### SCHEDULE B

### INTELLECTUAL PROPERTY RIGHTS

Trade Marks:

[COUNTRY]

Application for registration of a trademark number [NUMBER], [NUMBER] filed on behalf of [COMPANY NAME] as revised on [DATE] and on [DATE]. The application is attached hereto.

[COUNTRY]

Application for registration of trademark number [NUMBER]/ [NUMBER].

Other Rights:

### SCHEDULE C

### CONTRACTS

CONTRACTS

Description

### SCHEDULE D

### FORM OF STATEMENT

ITEM: [AMOUNT]

 ·

TOTAL

### SCHEDULE E

### EMPLOYEES

EMPLOYEES

Employee

Position

Head of Production

Development Coordinator

Executive Assistant

Behavior On-Line

Managing Director

HTML Programmer

Editor

Behaviour Design

Managing Director

Designer

Production Manager

Account Supervisor

Production Assistant

Behavior Computer Graphics

System Support

Animation Director

Animator

Productions Supervisor

Animator

Software Expert

Part-Time / Freelance

Behaviour Labs

Software Practical

Part-time / Freelance

### SCHEDULE F

### BENEFIT PLANS