

LOCKSMITH A N I M A T I O N

Confidentiality and Non-Disclosure Agreement

Dear

Locksmith Animation Ltd. (“Locksmith”, and/or, “Us”, and/or “Our”, all as the context so admits) have invited you to take part in discussions with us.

During our discussions, it is acknowledged that we will potentially disclose certain details and information to you (“You”, and/or “Your”, all as the context so admits) which is either non-public, confidential or proprietary in nature, in order to facilitate discussions concerning ideas or projects or other ventures which Locksmith may or may not develop or continue (“the Projects”).

This Confidentiality and Non-Disclosure Agreement (“this Agreement”) is to confirm the terms and conditions regarding the disclosure of Confidential Information (as defined below).

In consideration of our agreement that you will participate in discussions with Locksmith described above and not to disclose such Confidential Information and for other good and valuable consideration (the adequacy of which is hereby confirmed), You hereby undertake and agree as follows:

1. **Confidential Information.** This Agreement extends to all information of whatever nature and in whatever form, whether in writing or given orally or otherwise, relating to the Projects and/or to our business, operational, financial, commercial or other affairs which You have received or may receive from Us (and any of Our employees and officers and agents or from Our advisors (“the Confidential Information”). For the avoidance of doubt, the Confidential Information shall include (without limitation) any ideas, concepts, characters, formats, treatments, agreements, outlines, accounts, summaries, business plans, sales estimates, forecasts, personnel information, market research, reports and analyses made by Us, Our group companies or Our advisors, agents or representatives, or supplied by third parties which contain or reflect or refer to such information.
2. **Maintenance of Confidentiality.** You agree to treat all Confidential Information as being strictly private and confidential and in particular shall not directly or indirectly permit or authorise the Confidential Information to be disclosed, divulged or communicated in any manner whatsoever, in whole or in part, to any person or organisation (other than where required by law or statutory or regulatory authority or as permitted in the last sentence of this paragraph) and You will take all proper steps to prevent its disclosure to any other person at all times or until such Confidential Information becomes publicly known and made generally available through no action or inaction of You. You agree that no person other than you shall be permitted to review the Confidential Information save for your professional advisors under a duty of confidentiality to you, and you agree that you shall be responsible for any disclosures of Confidential Information to third parties made by your professional advisors to the same extent as if such disclosures were made by you.
3. **Exclusions of Undertaking.** The undertaking given above does not apply to Confidential Information which:
 - 3.1 at the time of disclosure is in the public domain; or

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- 3.2 after such disclosure becomes generally available to third parties by publication or otherwise through no fault of Yours; or
 - 3.3 was lawfully in Your possession prior to disclosure and which was not acquired from us or our advisors; or
 - 3.4 the law requires You to disclose (but without prejudice to this 3.4, You agree to notify Us immediately if You are required by law to disclose the Confidential Information to any third party).
4. **Non-disclosure and Non-use.** You agree that You shall not reveal or make any disclosure or announcement to any third party (other than Your professional advisors under a duty of confidentiality to you) relating to the Confidential Information, the Projects and the existence of this Agreement without Our prior written consent. You agree that You will not use the Confidential Information for any other purpose other than to engage in discussions about the Projects with Us and to carry out any services for which We may engage You and that You will not use the Confidential Information in connection with any other transaction or in any other way whatsoever.
 5. **Return or Destruction of Information.** Within ten business days of receipt of Our written request which can be made at any time, You will deliver to us all copies of the Confidential Information in Your possession, and if requested You will provide Us with written certification that all copies of Confidential Information in Your possession have been destroyed.
 6. **No Relationship.** For the avoidance of doubt, our disclosure of the Confidential Information to You and participation in discussions does not in any way constitute an offer from Us to You to engage in any future relationship of any nature but is disclosed merely to facilitate further discussions. You agree that we reserve the right to withdraw from discussions at any time.
 7. **No rights.** You acknowledge here that all the rights in the Projects are owned by us, and our discussions or disclosure of information to you pursuant to this Agreement or otherwise shall not act to vest You with any rights of any nature in the Projects. We shall have no liability to You in the event that we do not develop any of the Projects, and/or, subject to the provisions of Paragraph 12, if further development of the Projects in any way is inspired by any thoughts or ideas you share with Us in the course of Our discussions with You, all rights in our Projects being (you acknowledge) fully owned by Us and may be exploited without liability or account to You. For the avoidance of doubt, We agree that We would not proceed with development and/or exploitation of a new project based on an original, protectable idea as You may share with Us during the course of Our discussions without first negotiating a separate agreement with You to that effect.
 8. **Injunctive Relief.** You acknowledge that damages alone may not be an adequate remedy for any breach of any of the provisions of this Agreement. Accordingly, without prejudice to any other rights and remedies it may have, We shall be entitled to seek the granting of equitable relief (including without limitation injunctive relief) concerning any threatened or actual breach of any of the provisions of this Agreement.

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9. **Warranty.** No warranty of any kind is given or implied by Us as regards the Confidential Information. We do warrant its completeness or validity. You hereby warrant that you know of no reason why you are not able to participate and/or receive Confidential Information from Us and/or enter into this Agreement in any way.
10. **Indemnity.** You shall indemnify Us and keep Us fully indemnified at all times against all liabilities, costs (including legal costs), expenses, damages and losses including any direct, indirect or consequential losses, loss or profit, loss or reputation and all interest, penalties and other reasonable costs and expenses suffered or incurred by Us arising from any breach of this Agreement by You.
11. **Reservation of Rights.** We reserve all rights in Our Confidential Information. No rights in respect of Our Confidential Information are granted to You and no obligations are imposed on Us other than those expressly stated in this Agreement. In particular, nothing in this Agreement shall be construed or implied as obliging Us to disclose any specific type of information under this Agreement, whether Confidential Information or not.
12. **Our receipt of Confidential Information from You.** If in the course of Our discussions You wish to impart some form of Confidential Information to Us, You agree to declare it as such prior to disclosure, in order that We may accept or decline receipt of such Confidential Information. In the event that we accept receipt of Confidential Information, then we agree to maintain its confidentiality to the same standard and with the same exceptions as regards our disclosure of Confidential Information to You. For the avoidance of doubt, nothing in our receipt of any Confidential Information from you shall act to impair our development or exploitation of any current or future Projects, and/or Our exercise of any of the rights in the Projects, as you acknowledge that any Confidential Information you share with Us may be similar in nature to ideas and concepts We have independently conceived or developed prior to your disclosure to Us.
13. **Governing Law and Jurisdiction.** This Agreement shall be governed by English law, and You irrevocably agree that the courts of England and Wales shall have the exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement.
14. **No Assignment.** You may not assign, subcontract or deal in any way with any of Your rights or obligations under this agreement or any document referred to within it without Our prior written consent.
15. **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto concerning the Confidential Information, and no modifications of this letter agreement or waiver of the terms and conditions hereof will be binding upon any party, unless approved in writing by each of the parties.

Please acknowledge Your irrevocable agreement and acceptance to the terms contained in this Agreement by signing this Agreement below where indicated.

Yours sincerely,

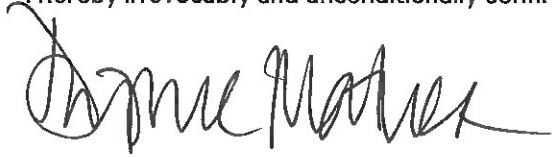
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For and on behalf of
LOCKSMITH ANIMATION LTD.

Print Name: Daphne Mather

I hereby irrevocably and unconditionally confirm our agreement to and acceptance of the above terms.



Signature