

THE BALLOONING OPERATION AGREEMENT

This Agreement is made this 1st day of November, 2024

BETWEEN

THE TRUSTEES OF THE TANZANIA NATIONAL PARKS, a statutory body corporate established under Section 8 of the National Parks Act, Chapter 282 of the 2002 Revised Edition of the Laws of the United Republic of Tanzania (hereinafter referred to as "TANAPA") of Postal Office Box Number 3134, Arusha on the one part;

AND

ROYAL AVIATION TANZANIA LIMITED of P. O. Box 7611 Moshi Kilimanjaro, which is a company established under the Companies Act, Chapter 212 of the 2002 Revised Edition of the Laws of the United Republic of Tanzania (Hereinafter referred to as "**the Operator**") of the other part.

WHEREAS TANAPA is desirous of having someone with requisite experience and expertise to operate a ballooning activity in Tarangire and Serengeti National Parks (hereinafter to be called "**the Parks**"), in an environmentally friendly manner, in order to diversify tourist packages and thereby increase the revenue collection, at the agreed fee per tourist.

AND WHEREAS the Operator has the requisite expertise, knowledge, and experience of operating the ballooning activity, and has agreed to undertake the same for TANAPA at mutually agreed payment modalities. And further guarantees to undertake the same in an environmentally friendly manner and in total observance of the National Parks Act, Rules, Regulations, and Directives.

NOW WHEREFORE this Agreement witnesses' as follows: -

APPLICATION OF THE BALLOON OPERATION AGREEMENT

The Balloon Operation Agreement shall apply to Tarangire and Serengeti National Parks.

2. TANAPA'S OBLIGATIONS

1.1 TANAPA covenants with the Operator to:

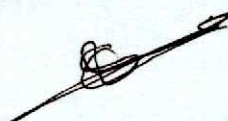
- (ii) Maintain all established roads and bridges within the Parks and improve such roads and bridges as far as possible to such standards as shall appear reasonable regard being had to the promotion of the tourist industry and the financial resources of TANAPA.
- (iii) Collaborate with the Operator to design, establish and maintain tourist road networks in areas adjacent to ballooning operations to enhance visitor experience.

3. OPERATOR'S OBLIGATIONS

The Operator shall:

- (i) Pay TANAPA a fixed balloon operation fee of **United States Dollars forty (USD. 50.00)** per visitor per trip **for balloon operation in Serengeti and Tarangire National Park.**
 - (a) The rates applicable in determining the Ballooning operation Fees may be revised every two (2) years provided that TANAPA shall give the Operator not less than three (3) months' written notice prior to the expiry of the two (2) year's period of its intention to revise the rates. Provided that where there is a conflict between the notice period provided under this agreement and a notice under any Government Notice revising the concession fee rates the Government Notice provision shall prevail.
 - (b) Payment of a fixed rate Balloon operation fee shall be on a daily basis based on the balloon flying manifest. It shall be an obligation of the Operator to make a prior arrangement for the daily payment of the fixed Balloon operation fee.
 - (c) The Operator shall keep accurate accounts records and visitor registers including, other records or documents that must be retained or kept under the Companies Act No. 12 of 2002 and any other written law.

- (ii) Be responsible for the booking and reservation arrangements, and further be responsible for the payment of the ballooning fees.
- (iii) Not transfer or assign or part with this Agreement without written consent in writing by TANAPA, which consent shall not be unreasonably withheld.
- (iv) Not disclaim liability to pay damages to TANAPA for breach of any condition of this Agreement arising out of State intervention due to the Operator's failure or neglect to abide by the provisions of any law enforced in Tanzania, which requires the Operator to do or abstain from doing any act.
- (v) Not destroy any wildlife species without TANAPA's permission and to ensure that no exotic vegetation is introduced to the Parks.
- (vi) Indemnify and keep indemnified TANAPA against all claims, actions, and demands by visitors to the Operator.
- (vii) Obtain all relevant licenses (including Tourist Agency Licensing Authority), approvals (from Tanzania Civil Aviation Authority), and permits currently required and enforced for the flying of balloon safaris.
- (viii) Keep accurate accounts records and visitor registers and allow any persons authorized by TANAPA at all reasonable times to examine and extract information from such records and registers. Furthermore
- (ix) The Operator shall punctually complete and return any data forms presented by TANAPA in relation to the ballooning operation.
- (x) Not to do or permit any act, which may contravene the provisions of any law and particularly the National Parks Legislation, and the Regulations, made hereunder currently enforced or of any Statute or Regulations amending or replacing the same.
- (xi) Provide and maintain proper systems of sewage and other liquid effluent disposal designed to meet both public health standards and the standards set by TANAPA.
- (xii) Abide with all regulations, rules, and directives guiding the flying of the balloon including on minimum and maximum allowable altitude.



- (xiii) Abide with the National Parks Act, Regulations, and Rules made thereto, and any administrative directives to be issued from time to time.
- (xiv) Make sure that the impacts on the environment particularly on wild species, and on visitors are minimized.

4. DURATION

This Agreement shall be for a term of **five (5) years** commencing from **1st day of November, 2024** and unless otherwise renewed, in accordance with the provision contained herein shall terminate on **31st day of October, 2029**. The Agreement may be renewed for a further term to be negotiated by parties before the expiry of the Agreement subject to the Operator giving TANAPA a six months' notice before the expiry of the subsisting term.

5. ENTRY FEES, EMPLOYMENT, INSURANCE AND SOCIAL FACILITIES

The Operator shall;

- i. be exempted from paying entrance fees for her employees based within the Parks;
- ii. without prejudice to the requirements of any written law, use its best endeavour to give preference to Tanzanians in any capacity for which they are suited and have necessary qualifications;
- iii. require its employees who come in contact with the public to wear uniforms by which they may be identified and distinguished as its employees;
- iv. submit a staff list of its employees based within the respective National Park to the Park Management after every six (6) months.
- v. Carry public liability insurance and provide the TANAPA with a certified copy of the policy. The Operator shall ensure that the premium for such insurance is paid in time and copies thereof made available to the TANAPA such that at all material times, the insurance policy is in force;

- (xiii) Abide with the National Parks Act, Regulations, and Rules made thereto, and any administrative directives to be issued from time to time.
- (xiv) Make sure that the impacts on the environment particularly on wild species, and on visitors are minimized.

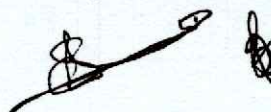
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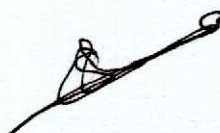
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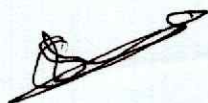
- vi. ensure the provision of social facilities to the employees, such as food: Provided that where meat is to be provided, the carcasses shall come from outside the respective national park

6. MISCELLANEOUS

- (i) Should there be any dispute between the parties concerning this Agreement or anything arising under this Agreement, the same may be resolved amicably or through arbitration or referred to a court of law in Tanzania with competent jurisdiction.
- (ii) That this Agreement may be terminated by either party giving three months' written notice to the other party, on the following grounds:
 - a. failure by either party to rectify, without reasonable cause, a material breach of a provision of this Agreement for more than 90 days from the date the other party requested the rectification of such breach;
 - b. the Operator conducts business within the Site other than the business for which the Agreement was granted despite repeated reminders to comply with the conditions of this Agreement;
 - c. The Operator conducts the business in violation of the National Parks legislation
- (iii) That in resolving any dispute the Tanzanian laws shall apply.
- (iv) That the ballooning will be operated within the allowable hours.
- (v) The ballooning activity shall be operated within the areas jointly identified by TANAPA and the Operator.
- (vi) Issue identity cards to all its employees in such form as shall be approved by TANAPA and to instruct its employees to carry such identity cards at all times. Any person found without an identify card on any spot checking by the Park Management shall be considered to have entered the Park illegally. All the names of employees and passport size photographs must be filed with the Park Management during the entire period. It shall be the duty of the Operator to notify in writing the Park Management on any changes that may result from termination of any of its employees.



- (vii) Not make any press releases relating to the National Park without written consent from TANAPA. However, this provision should not be construed to restrict the Operator in making statements or press releases as part of its marketing program.
- (viii) Carry insurance against losses by public liability and employee liability and other hazards as is customary among operators of similar businesses under comparable circumstances.
- (ix) Not allow, for purposes of cooking (food preparation), the use of dead fuel wood except for campfires with written approval by the Park Management.
- (x) Be obliged to report to the Park Management all illegal activities in the park.
- (xi) Be liable for any injury or loss of property, life, or anything happening in the course of ballooning. The Operator shall ensure that all tourists fill an indemnity form, before boarding a balloon.
- (xii) Subject to the conditions in the foregoing paragraphs, the Operator paying the balloon fees hereby reserved and performing and observing the several covenants on its part herein contained, shall peacefully hold and enjoy the ballooning operation for the term herein stated without any interruption by TANAPA or any person claiming under or in trust for it. PROVIDED that a duly authorized representative of TANAPA shall at all times be permitted to enter the ballooning operation area for such purposes which TANAPA shall consider necessary in connection with the administration of the National Park and the enforcement of this Agreement.
- (xiii) All notices, requests, consents, demands, waivers or other communications shall be in writing in the English language and shall be sent by hand delivery or by prepaid first-class registered air mail or courier or scanned and sent electronically to the addresses set forth below:



FOR THE LICENSOR:

**CONSERVATION COMMISSIONER
TANZANIA NATIONAL PARKS
P.O.BOX 3134
ARUSHA.**

ATTENTION: CONSERVATION COMMISSIONER

FOR THE LICENSEE:

**THE MANAGING DIRECTOR,
M/S ROYAL AVIATION TANZANIA LIMITED,
P.O.BOX 7611
MOSHI - KILIMANJARO.**

IN WITNESS WHEREOF the parties hereto have executed this Agreement in the manner and on the date, month and year hereinafter appearing.

SIGNED and DELIVERED at ARUSHA

For, and on behalf of the Trustees of the Tanzania National Parks, this 1st day of November, 2024

.....
TANAPA

Name GENERAL GEORGE M. WAITAPA (Retd)
Signature [Signature]
Postal address 3134 ARUSHA
Qualification/Designation BOARD CHAIRMAN

In the presence of;

Name MUSA N. K. JUMA
Signature [Signature]
Postal address 3134 ARUSHA
Qualification/Designation CONSERVATION COMMISSIONER

Name RICHARD K. NSIMBA
Signature [Signature]
Postal address 3134 ARUSHA
Qualification/Designation SENIOR ASSISTANT CONSERVATION COMMISSIONER - LEGAL SERVICES

[Signature] [Signature] [Signature]

SIGNED and DELIVERED at ARUSHA
For, and on behalf of the **Royal Aviation**
Tanzania Limited
this 1st day of November, 2024

.....
OPERATOR

Name Benson Benjamin Mengi.....

Signature [Signature].....

Postal address 7611, MOSHI.....

Qualification/Designation MANAGING DIRECTOR.....

In the Presence of;

Name CAESAR A. SHAW.....

Signature [Signature].....

Postal address M/SO MOSHI.....

Qualification/Designation Company Secretary.....

Name.....

Signature.....

Postal address.....

Qualification/Designation.....

Name.....

Signature.....

Postal address.....

Qualification/Designation.....

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