

Tamrose Ventures Limited

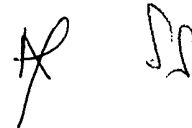
Attention: Ambrose Ovbiebo

Per email: [aovbiebo@tamroseventures.com](mailto:aovbiebo@tamroseventures.com)

Dear Ambrose,

## **NAUTIC AFRICA (IN BUSINESS RESCUE) // TAMROSE**

1. I refer to the above matter, various letters and emails exchanged between Tamrose Ventures Limited ("Tamrose") and the business rescue practitioner ("BRP") of Nautic Africa Proprietary Limited ("Nautic"), as well as our latest telephonic discussions on 16 March 2018.
2. The purpose of this letter is to record both the agreed value of the Tamrose claim and the agreed process to finalise the damages component of the claim. The settlement mechanism will be dealt with in the business rescue plan, which Tamrose and other creditors will have a right to interrogate and recommend amendments, to the extent feasible.
3. Although it is not possible to deal with settlement options ahead of the preparation of the business rescue plan, the BRP is committed to propose the shortest settlement terms possible within the cash flow constraints that would be clarified in the business rescue plan.
4. This letter is a culmination of various constructive discussions between Tamrose's principal and the BRP, which have served to narrow the differences between Nautic and Tamrose.
5. The BRP and Tamrose have agreed as follows, with regards to Tamrose's claim in the business rescue proceedings of Nautic:
  - 5.1. Tamrose's claim will be recorded as USD 2 977 260.56, made up of amounts paid by Tamrose to Nautic amounting to USD2 527 260.56, and the damages of USD450 000 as accepted by the BRP without a requirement of proof on the part of Tamrose;
  - 5.2. A further amount of USD 1 155 025 will be recorded as a contingent claim (this amount is the maximum additional amount, as agreed by the Tamrose and Nautic, that could be added to the claim already accepted by the BRP), to be proved in accordance with the procedure outlined in paragraph 6 below. The amount above has been calculated using the formula:  $A = (B - C) \times 50\%$ , where;
    - 5.2.1. A represents the value of the contingent claim;




- 5.2.2. B represents the estimated additional cost of USD 3 210 050.00 that would be required to procure a vessel of similar specification to that provided for in the contract; and
- 5.2.3. C represents the portion of damages accepted by the BRP as a reasonable estimate requiring no further proof by Tamrose, amounting to USD900 000.
6. The BRP and Tamrose have agreed that their respective attorneys will identify a senior legal counsel that will review the contract entered into between Tamrose and Nautic, consider written and/or oral representations by Tamrose and Nautic, and formulate an opinion on whether Tamrose's damages claim of USD3.2 million is the correct value of the damages, or that the damages should be a lesser amount in the final opinion of senior legal counsel, which opinion will be binding on the parties. Once senior legal counsel has provided the opinion and the amount of damages, that amount will be inserted as "B" in the formula in Clause 5.2 and the resultant amount will constitute the liquidated damages claim of Tamrose for the purposes of the business rescue proceedings.
7. Should the attorneys be unable to reach agreement on the appointment of a senior legal counsel, the chairperson of the Johannesburg Bar Council shall appoint a senior legal counsel.
8. The legal costs of senior legal counsel will be shared equally between Tamrose and Nautic.

Yours faithfully,



Siphiso Sono  
Business Rescue Practitioner.

Acceptance of terms set out in this letter



Ambrose Ovbiebo  
For and on behalf of  
Tamrose Ventures Limited

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