



Nautic Africa (Pty) Limited (in Business Rescue)
Registration: 2009/007037/07
11 Amphion Street
Parrden Eiland
Cape Town
("the Company")

For attention of Mr Siphon Sono in his capacity as Business Rescue Practitioner ("BRP")

1 March 2018

Dear Sir

EXERCISE OF RIGHTS UNDER SHARE CHARGE IN FAVOUR OF BARAK FUND SPC LIMITED (ACTING ON BEHALF OF BARAK STRUCTURED TRADE FINANCE SEGREGATED PORTFOLIO) ("BARAK").

Reference is made to:

1. the vessel finance facility agreement entered into between African Marine Solutions Limited and Barak on or about 29 May 2017 ("**Facilities Agreement**"); and
2. our meeting held on 22 February 2018 in the Cape Town offices of Barak ("**Meeting**").

We wish to confirm the following discussion with yourself as held at the Meeting:

1. African Marine Solutions Limited ("**AMS**"), a company duly registered and incorporated in accordance with the laws of the British Virgin Islands, entered into a Facilities Agreement with Barak.
2. The Facility Agreement encompassed two facilities:
 - 2.1. Facility A, limited to USD2,000,000.00 (Two Million United States Dollars); and
 - 2.2. Facility B, limited to USD4,000,000.00 (Four Million United States Dollars).
3. It was always the intention that Facility B would refinance Facility A and this has indeed transpired. Consequently, the total amount outstanding under Facility B as at 28 February 2018 is USD3,716,801.37 (Three Million Seven Hundred and Sixteen Thousand Eight Hundred and One United States Dollars and Thirty-Seven Cents).
4. As security for the obligations of AMS under the Facilities Agreement, Barak obtained various forms of security which include, *inter alia*:
 - 4.1. a Share Charge by the Company in favour of Barak for all of the shares held by the Company in AMS together with all dividends and distributions, interest and other monies paid or payable pursuant thereto (the "**Share Charge Agreement**");
 - 4.2. a Joint and Several Guarantee from both the Company and Vee Craft Marine (Pty) Limited (each a "**Guarantor**") for the obligations of AMS to Barak under the Facilities

Agreement whereby each Guarantor unconditionally and irrevocably guarantees to Barak, as principal debtor and not merely as surety, the proper and punctual payment by AMS of all amounts owing to Barak pursuant to, *inter alia*, the Facilities Agreement (the "**Joint and Several Guarantee**");


- 4.3. a Subordination Agreement entered into by various parties, including the Company, whereby each party unconditionally and irrevocably subordinated its claim against AMS in favour of any claim of Barak against, *inter alia*, AMS and such parties;
 - 4.4. a Security Assignment agreement whereby AMS assigns *inter alia* its rights, interest and title in and to the AMS/UTM Charterparty and the rights of AMS to proceeds under each Insurance Policy.; and
 - 4.5. a cession in security in favour of Barak over the Stanbic bank accounts into which the proceeds from the Charterparty agreements are paid.
5. We understand that the Company filed for "business rescue" as contemplated in the Companies Act 71 of 2008 ("**Companies Act**") on 9 February 2018 and your appointment as business rescue practitioner was confirmed on 15 February 2018 (the "**Business Rescue**").
 6. The Business Rescue of the Company constitutes an Event of Default under the Facilities Agreement entitling Barak to, *inter alia*, exercise its rights under the Joint & Several Guarantee, the Share Charge Agreement and the Subordination Agreement.
 7. As a result, Barak wishes to, in the first instance, advise you, as Business Rescue Practitioner of the Company, that in terms of S134(1)(b) of the Companies Act, Barak is in lawful possession of the Property of the Company, being the shares held by the Company in AMS. In the second instance, Barak seeks consent from you, as the Business Rescue Practitioner of the Company, in terms of S134 (2) of the Companies Act, to exercise its rights in terms of the Share Charge Agreement.
 8. As agreed at the Meeting, subject to:
 - 8.1. the consent from the Business Rescue Practitioner as contemplated in paragraph 7 above being obtained;
 - 8.2. the authorised enforcement by Barak of its rights under the Share Charge Agreement;
 - 8.3. the approval by Barak of the wording used in the s150 Business Rescue Plan, to explain to affected persons the nature of this transaction, ahead of publication of the plan;
 - 8.4. receipt by Barak of a written guarantee (in form and substance acceptable to Barak) from (and executed by) Paramount Marine Holdings in favour of Barak; and
 - 8.5. written confirmation, satisfactory to Barak, from the Company that it has released all present and future claims of whatsoever nature and howsoever arising and which it may now or in future have against AMS,

Barak will agree to release the Company from its obligations in terms of the Joint & Several Guarantee upon adoption of the s150 Business Rescue Plan to be tabled before a meeting of creditors no later than 22 March 2018.

9. With respect to paragraph 8 above, draft wording of the s150 Business Plan is to be presented to Barak no later than five business days ahead of publication of the plan in order for Barak to review and comment on same with the understanding that any amendments required by Barak to such wording shall be adopted by the Business Rescue Practitioner and included into the aforementioned plan.

Please confirm and acknowledge the content of our discussion at the Meeting and provide your consent to the terms of this letter and the enforcement by Barak of its rights under the Share Charge Agreement by signing and returning the acknowledgement below/overleaf together with a copy of this letter duly initialed on every page.

Yours faithfully

A handwritten signature in black ink, appearing to be a stylized 'B' or similar character, positioned above a horizontal line.

For and on behalf of:
BARAK FUND SPC LIMITED
(ACTING ON BEHALF OF BARAK STRUCTURED TRADE FINANCE SEGREGATED PORTFOLIO)

CONSENT OF THE BUSINESS RESCUE PRACTITIONER

In accordance with s134(1)(b) of the Companies Act 71 of 2008, I, Siphon Sono, being the duly appointed Business Rescue Practitioner of Nautic Africa (Pty) Limited hereby acknowledge and agree that Barak Fund SPC Limited (Acting on Behalf of Barak Structured Trade Finance Segregated Portfolio) is entitled to exercise all of its rights, title and interest in respect of the Share Charge Agreement and may take any steps or enforcement action necessary or desirable in respect of the subject matter thereof (including the transfer of ownership of the shares of AMS) in accordance with the terms of the Share Charge Agreement. I further confirm that the Company has released and/or waived any present and/or future claim(s) it may have against AMS.

SIPHO SONO
Acting as duly appointed Business Rescue Practitioner of Nautic Africa (Pty) Limited

Date: _____

Witness signature: _____

Witness name: _____