

MINUTES OF THE MEETING OF CREDITORS AND OTHER HOLDERS OF A VOTING INTEREST HELD IN TERMS OF SECTION 151 OF THE COMPANIES ACT 71 OF 2008, AS AMENDED, (“THE COMPANIES ACT”), AND ALSO IN TERMS OF SECTION 143(3)(a) OF THE COMPANIES ACT

NAUTIC AFRICA PROPRIETARY LIMITED

(In Business Rescue)

Date: 28 May 2018

Venue: ENSAfrica, 1 North Wharf Square, Loop Street, Foreshore, Cape Town

1. Sipho Sono, the business rescue practitioner (“BRP”) opened the meeting and welcomed all present. He apologised for the late start of the meeting, which he attributed to two earlier meetings he needed to have with two major creditors of the Company, ahead of the meeting.
2. The BRP confirmed that the agenda of the meeting was in accordance with the notice of the meeting that was circulated to affected parties, and that his presentation would cover all the agenda items.
3. The BRP’s presentation covered the following areas:
 - 3.1. The background to the company, incorporating its history, the group structure which the company is part of, reasons for the company becoming financially distressed, current business condition and future prospects of the company;
 - 3.2. A brief outline of the balance sheet structure, with emphasis on significant assets and liabilities;
 - 3.3. Post commencement finance (“PCF”) required, quantified at R30 million, which Paramount Industrial Holdings Proprietary Limited (“PIH”), the majority shareholder of the company, had committed to provide, for which a PCF agreement had been concluded;
 - 3.4. Explanation of the key terms of the business rescue plan (“BR Plan”), including the definition of voting interest, treatment of contingent and disputed claims for the purposes of voting, and key issues that came out of the investigation carried out in terms of section 141 of the Companies Act;

- 3.5. An overview of the BRP's remuneration agreement, including the rationale for the additional remuneration proposed in the agreement, which needed to be approved by holders of a majority of voting interest;
 - 3.6. The proposals in respect of how the business rescue claims would be settled, including expected dividends to be paid to various classes of creditors, assets that are available to settle the claims, as well as conditions to be met for payment of an additional dividend ("agterskot") to unsecured creditors;
 - 3.7. That there were reasonable prospects that the company could be rescued; and
 - 3.8. Consequences if the BR Plan is accepted, as against the consequences if the BR Plan were to be rejected.
4. James Fisher, as an employee of the company, addressed the meeting from a perspective of employees and emphasised the importance of rescuing the company in such a manner that employees would retain their jobs.
 5. The BRP invited discussion of the BR Plan and creditors raised various questions to seek a better understanding of the content of the BR Plan, which were clarified by the BRP.
 6. Having deliberated on the BR Plan, the BRP invited creditors to table any proposed amendments to the BR Plan, which were discussed and the following amendments were approved:
 - 6.1. A condition be inserted on the BR Plan that PIH should arrange a guarantee of R18.4 million in favour of the Standard Bank of South Africa Limited ("SBSA"), to guarantee the payment to be made to SBSA from proceeds of certain non-core assets owned by the company's holding company, in the event that the sale of these assets does not materialise or realisations from these assets are less than R18.4m set out in the BR Plan. Such a guarantee should be in place by 4 June or such later date as would be authorised by SBSA, failing which the BR Plan would not come into operation.
 - 6.2. The following conditions of default be inserted in the BR Plan:
 - 6.2.1. In the event that the BRP is not able to conclude a sale or other transaction in respect of Amphion Street within 45 days from the date of adoption of the BR Plan, the BRP would be obliged to call a meeting of creditors for the creditors to either extend the time within which to conclude such a sale or transaction or to

take any other decision approved by such a meeting;

6.2.2. In the event that the non-core assets are not sold to realise the expected proceeds as set out in the BR Plan by 30 September 2018, SBSA would be entitled to call up the PIH guarantee and retain the proceeds thereof;

6.2.3. In the event that the BRP is not able to pay the expected dividends by 30 September 2018, he is obliged to call a meeting of creditors for the creditors to either extend the time within which to pay the dividends to creditors or to take any other decision approved by such a meeting;

6.2.4. Instead of the agterskot being payable only once the company achieves operating profit of R15 million, that a sliding scale be introduced, starting from an operating profit of R10 million where an agterskot of 6 cents to the Rand would be payable. The agterskot dividend will increase pro rata from 6 cents to 10 cents, based on operating profits of between R10 million and R15 million being achieved.

7. The BRP adjourned the meeting for 20 minutes, to allow creditors and other holders of a voting interest to complete ballot forms in respect of voting for or against the BR Plan and the BRP's remuneration agreement. The BRP collated the ballots, inclusive of proxies sent to the BRP ahead of the meeting, and announced the following results:

7.1. Of the total creditors present or participating by proxy, with a voting interest of R182.2 million, 99.38% voted in favour of the BR Plan as amended, and 0.62% voted against the BR Plan;

7.2. Of the total independent creditors present or participating by proxy, with a voting interest of R139.7 million, 99.19% voted in favour of the BR Plan as amended, and 0.81% voted against the BR Plan;

7.3. Of the total creditors present or participating by proxy, with a voting interest of R181.6 million, 97.28% voted in favour of the BRP's fee agreement, incorporating the additional remuneration, and 2.72% voted against the BRP's fee agreement; and

7.4. PMH, the only shareholder, voted in favour of the BRP's fee agreement.

8. The BRP informed the meeting that based on the above results, the BR Plan, subject to the

amendments and applicable conditions, was thus approved and adopted. He further informed the meeting that the BRP's remuneration was also approved in accordance with the requirements of section 143(3)(a) of the Companies Act.

9. With no further business to discuss, the meeting was declared closed.

ATTENDANCE:

<i>Attendee</i>	Representing
<i>Sipho Sono</i>	BRP
<i>Peter Kramer</i>	Consultant to the BRP
<i>Ntlhane Makena</i>	ENSAfrica
<i>Helen Jacobs</i>	Phangela Brokers
<i>Johan van Zuydam</i>	Phangela Security
<i>Andre Strydom</i>	Macsteel
<i>Glenda Inskip</i>	CGIC
<i>PJ Veldhuizen</i>	obo various creditors
<i>Mircale van Heerden</i>	Gillan & Veldhuizen
<i>Ambrose Ovbiebo</i>	Tamrose Ventures
<i>Jacques Brummer</i>	Southern Power
<i>Craig Garlow</i>	Pronto Clearing
<i>Gary Sindler</i>	Manex & Power
<i>Stewart Welsh</i>	Manex & Power
<i>Marcus Ball</i>	FC Brands
<i>Heyns Botha</i>	Fastenright
<i>Jelique Buitendach</i>	Centrafin
<i>Amanda Arries</i>	Fastenright
<i>Marcus Bekker</i>	Viking Life Saving Equipment
<i>James McKinnell</i>	Bowman Gilfillan
<i>Khalied Booley</i>	SARS
<i>Mashuda Dawood</i>	Air Liquide
<i>Sugnet Preston</i>	Air Liquide
<i>Andrion Gouws</i>	Standard Bank
<i>Andre Symington</i>	ENSAfrica
<i>Nicholas Potheary</i>	Ryke
<i>Karen Swart</i>	eNetworks
<i>F Garlon</i>	eNetworks
<i>Alison Crooks</i>	Paramount
<i>James Fisher</i>	Nautic