

Barak Fund SPC Limited (the "Company")

Orderly wind down policy for loans/assets/investments.

The purpose of this document is to define the policy and process regarding the wind-down of the Barak Structured Trade Finance Segregated Portfolio, the Barak Mikopo Structured Leveraged Credit Fund Segregated Portfolio and the Barak Impact Fund Segregated Portfolio (the "**Funds**").

The Process

The process is intended to ensure a consistent and agreed approach, ensuring an orderly and successful realisation of the assets. The process will be as follows:

1. **Firstly:** Barak Fund Management ("BFML") shall continue to work with its borrower and counterparties to have all transactions meet their original agreed repayment terms as far as possible;
2. **Secondly:** Where a transaction or borrower is not able to meet its original repayment profile or obligations, BFML shall, together with the borrower counterparty, consider restructuring the loan by making changes to the term or tenor of the debt (as well as other commercial parameters as applicable (such as interest rates, securities) with a view to ensuring that the borrower is then able to meet such adjusted repayment terms and continue to meet its debt service obligations in a manner to optimise the value of the underlying loans and use best endeavours to ensure capital preservation. All proposed restructurings shall be brought to the investment committee of BFML for approval. The Investment Committee is obligated to notify the Funds' Board of Directors of any restructurings or deal variations before finalisation.
3. **Thirdly:** Where a transaction or borrower counterparty cannot meet its original repayment terms and a restructure, as contemplated in the paragraph above, is either not possible or the restructure concluded has subsequently failed; would lead to increased risk to the Fund, or is not approved by the relevant investment committee, BFML shall then:
 - Consider (i) its security and collateral position; (ii) the likelihood of recovering the outstanding amount (or any portion thereof) via enforcing security, taking into account the current and projected market conditions; and (iii) the associated costs and time involved in taking such action vs the benefit to be gained by the Fund. Any such perfection/enforcement decisions shall then be presented to the relevant investment committee of BFML / the Funds for approval; or
 - If it is determined that (i) the value to be realised from an enforcement/perfection process; (ii) or the time or costs involved in following an enforcement process would not be to the ultimate benefit of the Funds, then BFML shall seek a third party to purchase/acquire the underlying transaction/securities/loans from the Funds as set out below.

Third-Party Purchase

Where any transaction, either a performing transaction or a transaction that cannot meet its repayment obligations; is not capable of a prudent commercial restructure, and it is not in the interest of the Fund to enforce the security underpinning such transaction, BFML shall seek a third-party purchaser to purchase the relevant transaction in one of two ways, by either:

- Private sale to an interested third party – any price to be paid by such third party shall need to be approved by the relevant investment committee and a third-party valuation agent coupled with the guidance of IFRS standards to determine a fair and reasonable; or
- Via an auction, where interested third party purchasers may bid for a transaction.

The same would hold if a third party purchaser approached BFML or the Fund as an unsolicited approach for an asset.

BFML will contract an additional independent member to the Investment Committee with significant expertise in distressed and illiquid assets for the above three mentioned points to operate efficiently and correctly.

To further strengthen this process and to review and provide oversight on the recommendations made by BFML and the investment committee, the Board has already employed an additional Non-Executive Director with skills required for an orderly wind-down strategy. The additional non-Executive appointed on the Board of the Company is Michael Pearson.

Michael Pearson is a highly experienced independent director, liquidator, trustee and advisor. He specialises in providing independent governance and dispute resolution advice to companies, partnerships, trusts and other financial structures. He currently acts as a director and liquidator to several hedge funds and other investment holding company boards, both offshore and onshore.

Finally, BFML will submit a shortlist of independent Valuation Agents, per transaction, to the Company's Board, who shall ultimately make the final decision around the Valuation Agent appointment.

The **Third-Party Purchase** process will be as follows:

- Any assets/transactions sold from a Fund will be brought to the BFML Investment Committee for pre-approval.
- If pre-approved, BFML will send the proposed deal to an independent approved Valuation Agency to confirm that the Investment Committee's proposal aligns with the best fair and reasonable practice.
- If the Assets are, in the opinion of the Valuation Agency, at fair value and the process is consistent with best practice. The proposed transaction will be sent to the SPC Board for oversight.
- A director's resolution from the Company's Board of directors will be initiated, and the transaction will move to completion on final approval.



Involvement of Company Board

BFML shall present every month to the Barak Fund SPC Board in respect of each of the Funds a report on the wind-down progress, and this shall include but not limited to:

- Cash positions available for distribution to redeeming Investors
- Investor updates
- Updates on transaction restructure
- Updates on the Secondary market progress
- Cash Flow Forecasts