

INVESTMENT AGREEMENT

Dated 9 December 2017

This agreement ("**Agreement**") is entered into on the 9 December 2017 by and between:

- (1) Mr. JAMES G. FRANGI, in his capacity as Ultimate Beneficial Owner of ROYALTON INVESTMENT LIMITED, a company duly incorporated and existing under the laws of Malta with registered address at 84, St. Francis Street, Balzan, BZN 1424, as the sole Shareholder of TYCOON CORP. INC. a company duly incorporated and existing under the laws of the Marshall Islands with registered office in Trust Company Complex, Ajeltake Road, Ajeltake Island, Majuro, MH96960 Marshall Islands (hereinafter referred as the "Investee")
- (2) Dr. Abdulelah Khaled Allam, a Kingdom of Saudi Arabia citizen with registered address in PO BOX 105 Riyadh, 11411 Saudi Arabia (hereinafter referred as the "Investor").

Singularly referred as "The Party" and jointly referred as "the Parties"

WHEREAS:

- (A) The Investee is the controlling shareholder of Royalton Investment Limited, which in turns directly owns the entire share capital of TYCOON CORP. INC. which is active in the Yacht Investment Sector (hereinafter referred as "the Group"),
- (B) The Group has currently in place 4 (four) Commercial Yacht/s investments, as listed within Annex 1 of this agreement (hereinafter referred as "The Yachts"),
- (C) The Group further plan to expand the yacht investment base by making an effort to acquire within the next 12 months certain Yachts has already diligenced in the international market and described in their investment KPIs within Annex 2 of this agreement (hereinafter referred as "The Yacht Investment Pipeline")
- (D) The Investor wishes to invest and/or co-invest with the Group, through Tycoon Corp. Inc., and specifically into the Yacht investment pipeline which the Investor had the time to diligence and have found to be adequate and responded to his investment target (hereinafter referred as the "yacht investment").

Now Therefore, in consideration of the premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. THE INVESTMENT

- 1.1 The Group makes available to The Investor the Yacht Investment Pipeline on a preferential basis and with the right of first refusal for the Investor to respond to subsequent investment rounds for the same Yacht Investment Pipeline.
- 1.2 The Investor agrees to invest, by means of Bank Wire Transfer into the designated bank account of the Investee under TYCOON CORP. INC., an investment ticket of USD 35,000,000 (Thirty Five million united states dollars) to be transferred, in part or in whole, within 2 banking days upon presentation of a corresponding invoice by the Group (hereinafter referred as the "Yacht Investment Ticket"). The Parties agree in principle to complete the funding of the Yacht Investment Ticket by the 29th of December 2017 (hereinafter referred as the "Effective Date")

1.3 The yacht investment ticket is due and payable to The Investor by the Group, in full, at the 3rd year anniversary from the effective date (hereinafter referred as the "maturity date"). The Investee shall not be obliged to make distributions to the Investor as the Investee entitled is entitled to re-invest such amounts.

Notwithstanding the foregoing, the Investee at its sole discretion may decide to reinvest any proceeds occurring from the disposition of Investments and the Investee will systematically reinvest proceeds (if any) in the event the sale of the vessels to be purchased out of the Yacht Investment Pipeline occurs within a period of three (3) years as from the Effective Date.

The Yacht Investment Ticket and the eventually accrued profits will be distributed as follows:

- (A) first, one hundred per cent (100%) to the Investor until has received cumulative proceeds from distributions pursuant to this item (A) in aggregate equal to the Yacht Investment Ticket;
- (B) second, to the Investor until a Preferred Return up to eight per cent (8%) of the Yacht Investment Ticket has been paid to such Investor;
- (C) third, one hundred per cent (100%) to the Investee until has received cumulative proceeds from distributions pursuant to this item (C) in aggregate equal to thirty-five per cent (35%) of the distribution to the Investor under clause (B) above (the **Catch-Up**);
- (D) thereafter, in respect of any excess after all amounts available for distribution have been distributed in accordance with Item (A) and (B) and (C), sixty-five percent (65%) to the Investor and thirty-five percent (35%) to the Investee.

The Investee may not borrow money in excess of 30% of the net assets purchases through the utilization of the Yacht Investment Ticket and shall not be allowed to using leverage through entering into any derivative financial instruments.

1.4 The Group is not authorized to effect an early re-payment of the Yacht Investment Ticket during the first 12 months of validity of this agreement. After the 12 months anniversary of this agreement, the Group can effect an early re-payment of the yacht investment ticket by corresponding to the Investor, at minimum, the full value of the Yacht Investment Ticket in addition to a 10% interest compounded yearly.

1.5 The Investor is entitled to request an early re-payment of the Yacht Investment Ticket, at any point in time during the period of validity of this agreement, with the Group being allowed to carry out such re-payment to The Investor not later than 9 months from the date of The Investor request. The Group hereby agrees to recognize an interest on the whole amount due for repayment equivalent to (i) 0%/year (zero percent) for the first 6 months since the date of The Investor request (ii) 3%/year (three percent) for the second 3 months since the date of The Investor request.

1.6 As a security for the re-payment of the yacht investment ticket and any other obligation of the Group, The Investor shall have the following guarantees:



- 1.6.1 The Investor will have a first preferred mortgage over the Yachts purchased by the Group, out of the Yacht Investment Pipeline, in an aggregate amount up to 130% of the value of the Yacht Investment Ticket. The Group may replace the above mortgage/s with other collaterals of the same value in case the Investment Yachts are sold until the maturity date.
- 1.6.2 The Investor, or any entity designated by The Investor, will be nominated as co-insured in the Insurance Policies of the Yachts purchased by the Group, out of the Yacht Investment Pipeline, in an aggregate amount up to 130% of the value of the Yacht Investment Ticket.
- 1.6.3 Personal Guarantee: The Investee Ultimate Beneficial Owner personally guarantees the full re-payment of the Yacht Investment Ticket at maturity date.
- 1.6.4 Corporate Guarantee: The Investee will procure that Royaltan Investment LTD (hereinafter referred as the "guarantor") will guarantee the full and due payment of the Yacht Investment Fee to The Investor at maturity date and generally guarantees the fulfillment by the Group of all obligations hereunder and as well as of any amendment or extension thereto.
- 1.6.5 First priority share pledge of the entire share capital of the Owning company of the Yacht named M/Y Grand Ocean registered under the Bermudan flag, in the ownership of the Group with the following particulars: Official Number: 715327, to be executed by the Investee in accordance with the laws of the British Virgin Islands in such form as the Investor may approve or require. Such share pledge to be treated as an interim security until the terms described in clause 1.6.1 will take effect.
- 1.7 The Investor enters into this Agreement and agrees to pay the Yacht Investment Ticket in reliance upon the following representations and warranties of the Group and of the Guarantor who hereby represent and warrant that the following matters are true at the date of this Agreement, and covenants that they shall remain true until the maturity date:
- 1.7.1 the Group already owns for commercial investment purposes one or more Vessels, as indicated within annex 1 of this agreement, and among its purposes is the acquisition, management, utilization of Commercial Vessels for investment purposes and has today full power for the entrance and performance to the present Agreement and the connected guarantees
- 1.7.2 the Group has effected all necessary corporate or other acts for the entrance to the present Agreement and to the connected guarantees and has, for this reason, specially authorized the persons who are signing the present and the guarantees on its behalf
- 1.7.3 that the entry into and performance of this Agreement and all the other guarantees documents are within the corporate powers of the Group and have been duly authorized by all necessary corporate actions and approvals, do not contravene any law, regulation or contractual restriction which does, or may, bind the Group and/or the Guarantor



- 1.7.4 that the present Agreement is a lawful, valid and binding obligation of the Group and the Guarantor and enforceable against them according to the terms hereunder
- 1.7.5 that neither the Group nor the Guarantor is in default under any agreement to which they are a party and no arbitration, tax claim or administrative proceeding is current or pending or (to their knowledge) threatened, which, if adversely determined, would have a materially detrimental effect on the financial condition of the Group and/or the Guarantor or may affect their power to enter and perform the present Agreement and the Guarantee Documents
- 1.7.6 that the Group and the Guarantor are not in condition of suspension of payments, bankruptcy, liquidation, mandatory administration or are insolvent or in deficiency to pay their debts, not have they been or may be forced into a condition of suspension of payments towards any obligation nor they have started or are about to start negotiations with their creditors for the renegotiation of their debts and that their asset value supersedes their debts, after consideration of all possible obligations
- 1.7.7 that the mortgage shall have the same first rank (pari passu) with all other present or future unsecured obligations of the Group and the Guarantor, except those obligations that have a privilege of priority imposed by the general provision of a law
- 1.7.8 that no Event of Default has occurred or is continuing
- 1.7.9 that the business activities, the assets and generally the financial condition of the Group and of the Guarantor has suffered any material deterioration since that condition was last disclosed to the Investor;
- 1.7.10 that all information disclosed to The Investor in connection with the negotiation of this Agreement was true and accurate when given and there were and there are no other facts or matters, the omission of which would have made any statement or information therein contained misleading;
- 1.8 It is agreed between the Parties that the yacht investment ticket and the conditions of this agreement is not to be communicated to any third party nor to be disclosed to any interested party in whichever capacity involved in the Yachting sector (e.g. clients, operator, broker, yacht manager, yacht crew member, central agent). The Parties shall ensure that the respective employees, officers, directors, shareholders, legal counsel, accountants, consultants and any other person within their respective control shall keep entirely confidential and secret and not disclose, describe, distribute or otherwise communicate to any person, except to Parties' respective designated representatives, governmental authorities, advisers, banks or employees the terms of the asset exchange transaction contemplated by this Agreement.

2. COVENANTS OF THE GROUP

- 2.1 The chartering and management of the Yachts shall vest with the Chartering and Management Company of choice of the Group.



- 2.2 The Group shall bear all liabilities of any nature whatsoever deriving from the ownership, chartering, loss and operation of the Yachts acquired out of the Yacht Investment Pipeline.
- 2.3 The Group furthermore agrees and covenants, at his own costs, to cover all expenses necessary for the maintenance, safeguard and operation of the Yachts acquired out of the Yacht Investment Pipeline, including but not limited payment of crew salaries and subscribing to insurance policies.
- 2.4 The Group will subscribe to and maintain, until Maturity Date proper insurance policies including without limitation Hull and Machinery Insurance, British Marine P&I Insurance, Crew personal accidents in which The Investor will be named additional insured.
- 2.5 The Group commits to carry out, at its own cost, all maintenance checks and works on the Yachts acquired out of the Yacht Investment Pipeline in compliance with manufacturers'/suppliers' specifications.

3. EVENTS OF DEFAULTS

3.1 In case any of the following events occurs, hereinafter referred as Events of Default, (whichever the cause of such events and nevertheless if they are caused due to accidental events or force majeure) The Investor has the right, at any time and without prior notice, to terminate, in writing, in whole or in part, the present agreement as far as, any amount of the Yacht Investment Ticket committed at such time, is concerned. In such case the Group shall be in breach of the terms hereof referring to the payment of the Yacht Investment Ticket and therefore the total Outstanding Debt at such time shall become due, payable and incurring Default Interest Rate until the date of its complete payment, according to a Default Interest Rate of 15% (fifteen percent) per annum. As Event of Default is agreed any breach of the terms of the present agreement and of the terms of the Guarantee Documents, breach of the Group's and Guarantor's obligations, inaccuracy of their declarations and covenants and indicatively the following:

- 3.0.1 If any amount of the Yacht Investment Ticket is not validly and duly paid by the Group and/or the Guarantor at maturity date or at the early request of The Investor according to article 1.5 or if they fail to observe and perform any one or more of the covenants, terms or obligations contained in this Agreement and/or the Guarantee Documents;
- 3.0.2 If, at first request of The Investor, the mortgage has not been duly registered in form and substance accepted by the Investor and the relevant Certificate of Registration and Mortgage Certificate have not been handed over to the Investor;
- 3.0.3 An Event of Default occurs according to the terms of the Mortgage;
- 3.0.4 A petition for bankruptcy is filed, or an order made or petition filed for the appointment of an administrator (or any other similar present or future procedure for debtors in default) against the Group and/or the Guarantor or they announce to or suspend their payments or if they become insolvent or they enter into an extra-



judicial arrangement or composition with their creditors or such arrangement is intended or likely to be effected or they suspend or cease to carry on their business activity or become in any way insolvent to meet their financial obligations;

- 3.0.5 The Group and/or the Guarantor is by a Court judgment declared bankrupt, insolvent or liquidated before the end of the Loan;
- 3.0.6 The Group and/or the Guarantor ceases to be a company registered and in good standing under the laws of the country of its incorporation;
- 3.0.7 the Vessels becomes an actual or constructive Total Loss, unless a direct claim is filed with the insurers for a compensation at least equal to the Yacht Investment Ticket or the Vessel is abandoned or confiscated and is not released within thirty (30) days from such confiscation or if the Vessel is theft or vanished by the Group and/or the inscription of the mortgage becomes impossible
- 3.0.8 Any act or omission of the Group and/or the Guarantor that, at the Investor's judgment could imperil its securities hereunder and under the other Guarantee Documents;
- 3.0.9 A procedure of mandatory enforcement is initiated against the Group and/or the Guarantor;
- 3.0.10 Any of the events shall occur which are specified in the Mortgage as a result of which the Mortgage shall become immediately enforceable;

4. TAXES – PARTICIPATION

- 4.1 All payments to be made by the Group under this Agreement shall be made without set off or counterclaim, and free and clear of, and without deduction for or on account of, any present or future taxes, charges, levies, imposts, duties or withholdings and any restrictions or conditions resulting in any charge whatsoever imposed, either now or hereafter, by any sovereign state or by any taxing authority of any sovereign state (including but not limited to, any value added tax or any contribution or levy payable or withheld under any Law) (collectively referred to as "Taxes") other than taxes from time to time on the net income of the Investor.
- 4.2 If the Group is compelled by law to make payment subject to taxes, the Group will ensure that any deduction does not exceed the minimum legal liability in this respect and shall pay to the Investor such additional amounts as may be necessary to ensure that the Investor receives a net amount equal to the full amount which would have been received had the payment not been made subject to such taxes. The Group shall, not later than 30 days after each deduction, withholding or payment of any taxes, forward to the Investor official receipts and any other documentary evidence reasonably required by the Investor in respect of the payment of any taxes. The obligations of the Group under this provision shall, subject to applicable law,



remain in force notwithstanding the repayment of the Yacht Investment Ticket and the payment of all interest due thereon pursuant to the provisions of this Agreement.

- 4.3 In addition, the Group agrees to pay any present or future stamp or documentary taxes or contributions to any monetary authority or similar levies which arise from any payment made hereunder, or from the execution, delivery or registration of, or otherwise with respect to, this Agreement, the other Guarantee Documents or to any instrument delivered hereunder or there under.
- 4.4 The Investor may, after prior written notice to the Group and the Guarantor, at any time and at its sole discretion assign, transfer, or offer participations to any third party in whole or in part, or in any manner dispose of all or any of its rights arising or accruing under this Agreement or any of the Guarantee Documents, provided that such assign or transfer shall not increase the Group's and/or the Guarantor's obligations hereunder. In order to implement any of the foregoing The Investor may at any time disclose information with respect to the Group, the Guarantor or the Yachts to any potential assignee, transferee or participant.
5. **MISCELLANEOUS**
- 5.1 **No Assignment:** Neither Party may assign its rights or obligation under this Agreement to any third party without the prior written consent of the other Party.
- 5.2 This Agreement shall be binding upon and inure to the benefit of the Parties, their heirs, successors and permitted assigns.
- 5.3 **Representations:** Each Party represents that it has all rights and authority to enter into this Agreement.
- 5.4 **No Partnership, No Agency:** Nothing in this Agreement shall be deemed to constitute the Parties as agents or partners of each other.
- 5.5 **Public statement or press release:** Neither Party shall make any public statement or press release regarding this Agreement or the relationship between the Parties without the prior approval of the other Party as to the substance and timing of such statement or release.
- 5.6 **NOTICE:** Any notice or other formal communication to be given under this Agreement shall be in writing and signed by or on behalf of the Party giving it. It shall be sent by e-mail to the relevant The Investordress set out herein below or delivered by hand or sent by prepaid recorded delivery, special delivery or registered post to the relevant The Investordress herein below. In each case it shall be marked for the attention of the relevant party set out herein below.



The Addresses and email Addresses of the parties are as follows:

Name of the Party	E-mail	Mailing
James G. Frangi	jfrangi@sshmaritime.com	2A Areos & Thiseos Str. – 16674 Vouliagmeni – Athens - Greece
Abdulelah Khaled Allam	dr.akhallam@gmail.com	PO BOX 105 Riyadh, 11411 Saudi Arabia

No change of address of any Party shall be opposable to the other Parties unless duly notified by the said Party to all Parties.

- 5.7 In the event that any provision of this Agreement should be or become incomplete or ineffective, such invalidity or incompleteness shall not affect the validity of the remaining provisions hereof. In such case, the Parties shall re-negotiate in good faith a valid provision which implements the intent and purpose of the invalid provision and affords the same rights and imposes the same obligations on the Parties and has substantially the same economic effect on the Parties.
- 5.8 **ENTIRE AGREEMENT:** This Agreement constitute the complete and exclusive statement of the terms of the agreement between the Parties hereto with reference to the subject matter hereof and supersedes all prior agreements, promises, proposals, representations, understandings and negotiations, whether or not reduced to writing, among the Parties respecting the subject matter hereof. Except as provided for in this Agreement, no statements or agreements, oral or written, made prior to or at the signing hereof shall vary, modify or otherwise affect the written terms hereof.
- 5.9 **Survival:** Termination of this Agreement for any reason shall not release any Party from any liability which at the time of termination has already accrued to another Party or which thereafter may accrue in respect of any act or omission of such Party prior to such termination, without any personal guarantee or liability.



6. **GOVERNING LAW AND DISPUTES RESOLUTION**

- 6.1 This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England.
- 6.2 Any dispute arising out of or in connection with this agreement shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof.
- 6.3 The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association (LMAA) Terms current at the time when the arbitration proceedings are commenced.
- 6.4 There will be one Arbitrator, the place of Arbitration will be London, the language to be used in the arbitral proceedings will be the English language.

7. **COSTS**

- 7.1 Each party shall bear all costs, duty stamps and taxes (if applicable) to be settled in relation to this Agreement.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed in two originals.

Name of the Party	Place and date	Signature
James G. Frangi	London, 9 December 2017	
Abdulelah Khaled Allam	London, 9 December 2017	

