

A. H. Malik & Co.

M.Z. AHMAD MALIK SC
M.M. A. MALIK

ONGICHO ASUGAH
HILLARY ORINA

CONSULTANT

M. A. A. MALIK

YOUR REFERENCE AG/CONF/6/D/112/1

OUR REFERENCE M/U 15/3 - 1

DATE 3 April 2014

ADVOCATES AND COMMISSIONERS FOR OATHS
AND NOTARIES PUBLIC

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City Hall Way
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www.ahmalikadvocates.com

Mr. Henry Rotich,
Cabinet Secretary,
Ministry of Finance,
Treasury Building,
Harambee Avenue,
NAIROBI

✓ The Honourable Professor Githu Muigai,
The Attorney General,
Attorney General's Chambers,
State Law Office,
NAIROBI (Your Ref: AG/CONF/6/D/112/1)

Dear Sirs,

Re: Universal Satspace (North America) LLC ("Universal") v Republic of Kenya

As you know, we are instructed by Universal in relation to the above matter.

We refer to the judgment of the Court of the High Court of England and Wales dated 20 December 2013 in the above matter. The current amount due to our client pursuant to the Judgment as of 28 February 2014 is US \$ 8,091,421 (the "Judgment Debt"). Interest on the Judgment Debt continues to accrue.

As you are aware, Universal has instructed solicitors in London with a view to taking steps to enforce the Judgment (together with interest thereon and costs). Universal is however prepared to forbear from taking steps to enforce the Judgment in consideration of the Republic of Kenya's agreement to the following terms:

1. The Republic of Kenya shall pay the sum of US \$ 8,091,421 being the Judgment Debt to Universal on or before 28 April 2014;
2. The sum of US \$ 8,091,421 shall be paid in full, without set-off, deduction or withholding, to our client's Solicitors in the United Kingdom whose bank account details are:

Natwest Bank
City of London Branch
1 Princes Street
London EC2R 8BP

Mr. Henry Rotich,
Cabinet Secretary

The Honourable Professor Githu Muigai,
The Attorney General,

A/C Name: Travers Smith LLP Client A/C
Sort Code: 60-00-01
A/C Number: 00859184
Swift (BIC) Code: NWBKGB2L
IBAN: GB29NWBK60000100859184

3. Provided that Universal receives the payment of US \$ 8,091,421 on or before 28 April 2014, Universal agrees that upon receipt of the Judgment Debt (including interest thereon and costs) shall be fully and finally satisfied and discharged, and that Universal shall take no further steps to enforce the Judgment or the Judgment Debt.
4. If the Republic of Kenya fails to pay the sum of US \$ 8,091,421 when due then the Judgment Debt (less any Instalment(s) already paid) shall become payable immediately, together with any interest that has accrued thereon from the date of the Judgment until payment and all legal costs incurred by Universal in connection with the enforcement of the Judgment (including without limitation the costs incurred in connection with the preparation and negotiation of this letter agreement). In that event the Judgment shall become immediately enforceable and Universal may take immediate steps to obtain satisfaction of the Judgment Debt by enforcement against the Republic of Kenya's assets located in the England and Wales or elsewhere.
5. The Republic of Kenya agrees that the Republic of Kenya's Solicitor General shall accept service of any documents for the purpose of or otherwise relating to the enforcement of the Judgment in England and Wales (or elsewhere), and that any such documents shall be effectively served on the Republic of Kenya by delivery to the State Law Office, Office of the Attorney General, Harambee Avenue, Nairobi, Kenya by A. H. Malik & Company.
6. In the event of default Universal's rights in terms of Waiver of Immunity by the Republic of Kenya will be the same as Clause 19 of the Contract dated 11 July 2002.
7. The parties agree that the terms of this letter agreement shall be governed by English law. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this letter agreement or its subject matter or formation (including non-contractual disputes or claims).

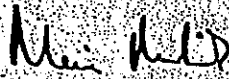
Please confirm your agreement to the terms set out above by signing and returning to us the enclosed copy of this letter.

Mr. Henry Rotich,
Cabinet Secretary

The Honourable Professor Githu Muigai,
The Attorney General,

Please note that if we do not receive the signed counter copy of this letter by close of business on 10 April 2014 the above offer will cease to be valid.

Yours faithfully,
A.H. Malik & Company


M. M. A. MALIK

Countersigned by THE REPUBLIC OF KENYA by
its authorized Representatives by way of acceptance
of the terms set out above


MR. HENRY ROTICH
CABINET SECRETARY
THE NATIONAL TREASURY


HONOURABLE PROFESSOR GITHU MUIGAI
THE ATTORNEY GENERAL OF KENYA

c.c. Ms. Muthoni Kimani, MBS,
Deputy Solicitor General,
Attorney General's Chambers,
State Law Office,
NAIROBI.

c.c. Caroline Edwards
Travers Smith LLP
UNITED KINGDOM

BY E-MAIL

A. H. Malik & Co.

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M.M. A. MALIK

ONGICHO ASUGAH
HILLARY ORINA
CONSULTANT

M. A. A. MALIK

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M/F 25/L - 1

3 April 2014

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✓
Mr. Henry Rotich,
Cabinet Secretary,
Ministry of Finance,
Treasury Building,
Harambee Avenue,
NAIROBI

The Honourable Professor Githu Muigai,
The Attorney General,
Attorney General's Chambers,
State Law Office,
NAIROBI

Dear Sirs,

Re: First Mercantile Securities Corporation ("First Mercantile") v Republic of Kenya

As you know, we are instructed by First Mercantile in relation to the above matter.

We refer to the judgment of the Court of First Instance of the Canton of Geneva, Switzerland, dated 5 December 2012 in the above matter, which was registered in the High Court of Justice of England and Wales, Queen's Bench Division, on 12 September 2013, for the purposes of its enforcement in England and Wales (the "Judgment"). The amount due as of 28 February, 2014 to our client pursuant to the Judgment is US \$10,679,685 (the "Judgment Debt"). Interest on the Judgment Debt continues to accrue. However, and in order to finalise this matter, First Mercantile will accept the sum of US \$8,330,241 (hereinafter called "the Agreed Sum")

As you are aware, First Mercantile has instructed solicitors in London with a view to taking steps to enforce the Judgment (together with interest thereon and costs). First Mercantile is however prepared to forbear from taking steps to enforce the Judgment in consideration of the Republic of Kenya's agreement to the following terms:

1. The Republic of Kenya shall pay the sum of US \$8,330,241 being the Agreed Sum to First Mercantile on or before 28 April 2014.
2. The sum of US \$8,330,241 shall be paid in full, without set-off, deduction or withholding, to our client's Solicitors in the United Kingdom whose bank account details are:

Natwest Bank
City of London Branch
1 Princes Street
London EC2R 8BP

Mr. Henry Rotich,
Cabinet Secretary

The Honourable Professor Githu Muigai,
The Attorney General

A/C Name: Travers Smith LLP Client A/C
Sort Code: 60-00-01
A/C Number: 00859184
Swift (BIC) Code: NWBKGB2L
IBAN: GB29NWBK60000100859184

3. Provided that First Mercantile receives the sum of US \$8,330,241 on or before 28 April 2014, First Mercantile agrees that upon receipt of US \$8,330,241 the Agreed Sum shall be fully and finally satisfied and discharged, and that First Mercantile shall take no further steps to enforce the Judgment or the Judgment Debt.
4. If the Republic of Kenya fails to pay the sum of US \$8,330,241 when due then the Judgment Debt (less any Instalment(s) already paid) shall become payable immediately, together with any interest that has accrued thereon from the date of the Judgment until payment and all legal costs incurred by First Mercantile in connection with the enforcement of the Judgment (including without limitation the costs incurred in connection with registration of the Judgment in England and in connection with the preparation and negotiation of this letter agreement). In that event the Judgment shall become immediately enforceable and First Mercantile may take immediate steps to obtain satisfaction of the Judgment Debt by enforcement against the Republic of Kenya's assets located in the England and Wales or elsewhere.
5. The Republic of Kenya agrees that the Republic of Kenya's Solicitor General shall accept service of any documents for the purpose of or otherwise relating to the enforcement of the Judgment in England and Wales (or elsewhere), and that any such documents shall be effectively served on the Republic of Kenya by delivery to the State Law Office, Office of the Attorney General, Harambee Avenue, Nairobi, Kenya by A. H. Malik & Company.
6. In the event of default First Mercantile's rights in terms of Waivers of Immunity by the Republic of Kenya shall remain the same as per Clause 9.6 of the Agreement dated 11 July 2002.
7. The parties agree that the terms of this letter agreement shall be governed by English law. Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this letter agreement or its subject matter or formation (including non-contractual disputes or claims).

Please confirm your agreement to the terms set out above by signing and returning to us the enclosed copy of this letter.

Mr. Henry Rotich,
Cabinet Secretary

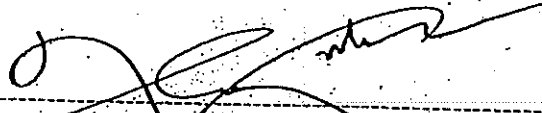
The Honourable Professor Githu Muigai,
The Attorney General

Please note that if we do not receive the signed counter copy of this letter by close of business on 10 April 2014 the above offer will cease to be valid.

Yours faithfully,
A.H. Malik & Company


M. M. A. MALIK

Countersigned by **THE REPUBLIC OF KENYA**
by its authorized Representative by way of
acceptance of the terms set out above



MR. HENRY ROTICH
CABINET SECRETARY
THE NATIONAL TREASURY



HONOURABLE PROFESSOR GITHU MUIGAI
THE ATTORNEY GENERAL OF KENYA

c.c. Ms. Muthoni Kimani, MBS,
Deputy Solicitor General,
Attorney General's Chambers,
State Law Office,
NAIROBI.

c.c. Caroline Edwards
Travers Smith LLP
UNITED KINGDOM

BY E-MAIL