



## **AGRARIUS SUSTAINABILITY ENGINEERED (RF) LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under registration number 2022/521382/06)*

*("Agrarius ListCo" or "the Issuer")*

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### **APPLICABLE PRICING SUPPLEMENT – TAP ISSUE (AGRIA1)**

**ZAR 100,000,000 Secured, Floating Rate Sustainability-linked Sukuk Notes on  
2 February 2024**

**under its**

**ZAR 10,000,000,000 ASSET-BACKED NOTE PROGRAMME**

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This Applicable Pricing Supplement must be read in conjunction with the Agrarius Sustainability Engineered (RF) Limited ZAR 10,000,000,000 Asset-backed Note Programme Memorandum, dated 19 September 2022, prepared by Agrarius Sustainability Engineered (RF) Limited, as amended and/or supplemented from time to time (the "**Programme Memorandum**").

Any capitalised terms not defined in this Applicable Pricing Supplement shall have the meanings ascribed to them in the section of the Programme Memorandum headed "*Terms and Conditions of the Notes*" and/or ascribed to them in the Sustainability-Linked Sukuk Framework 1 dated 17 October 2022, as applicable.

On 28 October 2022, Agrarius Sustainability Engineered (RF) Limited ("**Issuer**") issued ZAR 500, 000, 000 Floating Rate, Sustainability-linked Sukuk Notes due on 28 October 2025 ("**Initial Notes**"), under the Programme Memorandum.

This Applicable Pricing Supplement relates to the tap issue of the Initial Notes described herein ("**Tap Issue Notes**")

The Tap Issue Notes described herein are issued on and subject to the Terms and Conditions as amended and/or supplemented by the Terms and Conditions contained in this Applicable Pricing Supplement. This Tranche of Tap Issue Notes (i) will be issued on, and subject to, terms and conditions which are identical to the previous applicable Terms and Conditions of the Initial Notes, save for the respective Issue Dates, Issue Prices and Aggregate Nominal Amounts of this Tranche of Tap Issue Notes and the Initial Notes, (ii) will be consolidated and form a single series with the Initial Notes and (iii) will rank *pari passu* in all respects with the Initial Notes.

To the extent that certain provisions of the *pro forma* Applicable Pricing Supplement do not apply to the Tap Issue Notes described herein, they may be deleted in this Applicable Pricing Supplement or indicated to be not applicable.

To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

1. PARTIES		
1.1. Issuer		Agrarius Sustainability Engineered (RF) Limited
1.2. Debt Officer		Johan Fourie, in-house corporate legal advisor to 27four Investment Managers and the Issuer
1.3. SPV Guarantor		AVC Security SPV (RF) (Pty) Ltd
1.4. Nature of the security		Limited recourse SPV Guarantee issued by the SPV Guarantor
1.5. Dealer(s) <i>Specified Address</i>		Rand Merchant Bank 1 Merchant Place Cnr Fredman and Rivonia Road Sandton 2191
1.6. Debt Sponsor <i>Specified Address</i>		Questco Corporate Advisory (Pty) Ltd Ground Floor, Block C Investment Place, 10th Road Hyde Park, Johannesburg, 2196 South Africa
1.7. Calculation Agent <i>Specified Address</i>		27four Investment Managers (Pty) Ltd Rosebank Firestation, 5th Floor 16 Baker Street, Rosebank Johannesburg, 2196 South Africa
1.8. Transfer Agent, Paying Agent, Issuer Agent & Settlement Agent <i>Specified Address</i>		FirstRand Bank Limited 4th Floor, 4 First Place Cnr Simmonds & Pritchard streets Johannesburg, 2000 South Africa
1.9. Independent Sustainability Advisor <i>Specified Address</i>		IBIS Environmental Social Governance Consulting Africa Proprietary Limited 4 Sandown Valley Crescent Sandown, Gauteng 2196 <b>Contact person:</b> Petrus Gildenhuys <b>Cell:</b> +27 (0)82 788 4169 <b>Office:</b> +27 (0)10 020 7343 <b>Email:</b> <a href="mailto:petrus.gildenhuys@ibisconsulting.com">petrus.gildenhuys@ibisconsulting.com</a>

2. PROVISIONS RELATING TO THE NOTES		
2.1.	Status of Notes	Senior Secured
2.2.	Form of Notes	Listed Uncertificated Notes held in the CSD
2.3.	Type of Notes	Floating Rate, Sustainability-linked Asset-Backed Notes, self-labelled as Sukuk Notes by the Issuer and certified Shari'ah compliant by the 27four Investment Managers Shari'ah Advisory Committee ("SAC")
2.4.	Series of Notes Number	A
2.5.	Tranche Number	2
2.6.	Issue Date	2 February 2024
2.7.	Aggregate principal amount of this Tranche	ZAR 100,000,000 (one hundred million Rand)
2.8.	Aggregate principal amount of the Series, after issuance of this Tranche	ZAR 600,000,000 (six hundred million Rand)
2.9.	Nominal Amount per Note	ZAR1.00
2.10.	Specified Denomination	ZAR 1,000,000
2.11.	Specified Currency	South African Rand
2.12.	Issue Price	104.49151% of the Nominal Amount per Tap Issue Note
2.13.	Term of the Tap Issue Notes	20 months and 26 days from Issue Date
2.14.	Series or Tranche Underlying Transaction Commencement Date	In accordance with the Master Investment Agreement, the investment by the Issuer will be made directly to Agrarius OpCo within five Business Days of receipt by the Issuer of the proceeds from the relevant Tranche of Notes
2.15.	Maturity Date	28 October 2025, unless redeemed on any Optional Dissolution Date and/or Early Dissolution Date. If any such date is not a Business Day, the date determined in terms of the Following Business Day Convention
2.16.	Applicable Business Day Convention	Following Business Day Convention
2.17.	Final Dissolution Amount	100% of the Nominal Amount per Tap Issue Note
2.18.	Last Day to Register	By 17h00 on 25 March and 24 September each year until the Maturity Date or, if any day is not a Business Day, the last Business Day immediately preceding the commencement of the Books Closed Period(s)
2.19.	Books Closed Period(s)	The Register will be closed from 26 March to 30 March and from 25 September to 29 September (all dates inclusive) in each year and 23 October 2025 to 27 October 2025 (all dates inclusive) until the Maturity Date
2.20.	Default Rate	Not applicable

3. PROGRAMME AMOUNT		
3.1.	Programme Amount as at the Issue Date	ZAR 10,000,000,000
3.2.	Aggregate Outstanding Principal Amount of all of the Notes (including existing Notes) in issue under the Programme as at the Issue Date	<p>The Aggregate Outstanding Principal Amount immediately preceding the issue and listing of this Tranche is ZAR 500,000,000.</p> <p>The Aggregate Outstanding Principal Amount immediately after the issue and listing of this Tranche will be ZAR 600,000,000.</p>
3.3.	Issuer confirmation as to Programme Amount	The Issuer confirms that the issue of this Tranche of Tap Issue Notes will not cause the Issuer to exceed the Programme Amount.
4. PROVISIONS RELATING TO PERIODIC DISTRIBUTION AMOUNTS (IF ANY) PAYABLE		
4.1.	<b>FIXED PERIODIC DISTRIBUTION AMOUNT PROVISIONS</b>	Not Applicable
4.1.1.	Fixed Amount	Not Applicable
4.1.2.	Periodic Distribution Commencement Date	Not Applicable
4.1.3.	Periodic Distribution Date(s)	Not Applicable
4.1.4.	Rates	Not Applicable
4.1.5.	Fixed Rate Amount(s)	Not Applicable
4.1.6.	Broken Amount	Not Applicable
4.1.7.	Day Count Fraction	Not Applicable
4.1.8.	Other terms relating to the method of calculating Distribution Amounts with a Fixed Periodic Distribution Amount	Not Applicable
4.2.	<b>FLOATING PERIODIC DISTRIBUTION AMOUNT PROVISIONS</b>	Applicable
4.2.1.	Specified Period(s)	Each period commencing on (and including) a Periodic Distribution Date and ending on (but excluding) the following Periodic Distribution Date; provided that the first Periodic Distribution Period for this Tap Issue Notes shall commence on the Periodic Distribution Commencement Date (30 September 2023 and the last Periodic Distribution Period will commence on 30 September 2025 and conclude on, but exclude the Maturity Date (28 October 2025) (unless the Tap Issue Notes are redeemed on any Optional Dissolution Date or Early Dissolution Date), each Periodic Distribution Date as adjusted in accordance with the Following Business Day Convention.
4.2.2.	Periodic Distribution Commencement Date	30 September 2023, being the last day of the previous Periodic Distribution Period for the AGRIA1 Sukuk Notes in issue.



4.2.3.	First Periodic Distribution Date	31 March 2024 or, if any such date is not a Business Day, the date determined in terms of the Following Business Day Convention.
4.2.4.	Periodic Distribution Dates	31 March and 30 September of each year until the Maturity Date
4.2.5.	Day Count Fraction	Actual / 365
4.2.6.	Manner in which the Rate is to be determined	Screen Rate Determination (Reference Rate plus Margin)
4.2.7.	Margin	4.75% per annum
4.2.8.	<b>If ISDA Determination:</b>	
4.2.7.1.	Floating Rate	Not applicable
4.2.7.2.	Floating Rate Option	Not applicable
4.2.7.3.	Designated Maturity	Not applicable
4.2.7.4.	Reset Date(s)	Not applicable
4.2.7.5.	ISDA Definitions to apply	Not applicable
4.2.8.	<b>If Screen Determination:</b>	
4.2.8.1.	Reference Rate	3 month ZAR - JIBAR determined on the last Calendar Day of a Calendar Month for the reference rate applicable to the following Calendar Month as benchmark using a simple rate of return (not compounding)
4.2.8.2.	Periodic Distribution Determination Dates(s)	Each 30 September and 31 March from the Issue Date to the Maturity Date, with the first Periodic Distribution Determination Date being 31 March 2024 (unless the Tap Issue Notes are redeemed on any Optional Redemption Date).
4.2.8.3.	Relevant Screen Page and Reference Code	Bloomberg, JIBAR3m
4.2.8.4.	Relevant Time	11h00
4.2.8.5.	If Rate of profit share to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of profit share/ Margin/ Fallback provisions	Not applicable
4.2.8.6.	Calculation Agent responsible for calculating amount of principal and Periodic Distribution Amount	27four Investment Managers (Pty) Limited
4.2.9.	Other	An additional margin of 25 basis points (calculated in arrears) will be added to the margin in 4.2.7, in the event of the Issuer failing to meet any of the sustainability performance targets detailed in terms of the Sustainability-linked Sukuk Framework 1, which will accrue and become payable upon the dissolution of the Tap Issue Notes

5. PROVISIONS IN RESPECT OF THE SERIES INVESTMENT		
5.1.	Portfolio	Not applicable
5.2.	Series Underlying Transaction	Not applicable
5.3.	Details of Transaction Account	Not applicable
5.4.	Application of Proceeds from Series Underlying Transaction	Not applicable
6. PROVISIONS REGARDING DISSOLUTION /MATURITY		
6.1.	At Maturity, Final Dissolution Amount	100% of Nominal Amount
6.2.	<b>Dissolution at the Option of the Issuer pursuant to Condition 13.3 (<i>Dissolution at the Option of the Issuer</i>):</b>	Yes
	If yes:	
6.2.1.	Optional Dissolution Date(s)	On each Periodic Distribution Date
6.2.2.	Optional Dissolution Amount(s) and method, if any, of calculation of such amount(s)	100% of Nominal Amount, plus any Periodic Distributions which have accrued but not yet been paid (if any).
6.2.3.	Minimum period of notice (if different from Condition 13.3 ( <i>Dissolution at the Option of the Issuer</i> ))	Not less than 30 and not more than 60 days' notice prior to Optional Dissolution Date must be given to the Noteholders
6.2.4.	Other terms applicable on Dissolution	Not applicable
6.3.	<b>Dissolution in the event of a Change of Control at the election of Noteholders pursuant to Condition 13.4 (<i>Dissolution in the event of a Change of Control</i>) or any other terms applicable to a Change of Control</b>	No
6.4.	<b>Dissolution in the event of a failure to maintain JSE Listing at the election of the Noteholders pursuant to Condition 13.5 (<i>Dissolution in the event of a failure to maintain JSE Listing</i>)</b>	No
6.5.	<b>Early Dissolution Amount(s) payable on dissolution for taxation reasons pursuant to Condition 13.2 (<i>Dissolution for Tax Reasons</i>), on dissolution at the option of the Issuer pursuant to Condition 13.3 (<i>Dissolution at the Option of the Issuer</i>), dissolution on a Change of Control pursuant to Condition 13.4 (<i>Dissolution in the event of a Change of Control</i>), or in relation to a failure to maintain a JSE Listing pursuant to Condition 13.5 (<i>Dissolution in the event of a failure to maintain JSE Listing</i>) (if required or if different from that set out in the relevant Conditions)].</b>	Yes

If yes:		
6.5.1. Amount payable; or		100% of the Nominal Amount
6.5.2. Method of calculation of amount payable		Not applicable
<b>7. GENERAL</b>		
7.1. Financial Exchange		JSE Interest Rate Market
7.2. Relevant sub-market of the Financial Exchange		Sustainability Segment of the Interest Rate Market
7.3. Exchange Control approval		Not applicable
7.4. Additional selling restrictions		Not applicable
7.5. Investor Report		<p>Quarterly investor reports will be published by the Issuer on its website in accordance with the JSE Debt Listings Requirements.</p> <p>Investors can access the investor reports from the Issuer's website at <a href="https://www.27four.com/agrarius/investorcentre">https://www.27four.com/agrarius/investorcentre</a>.</p>
<b>8. INTERNATIONAL SECURITIES IDENTIFICATION NUMBERING (ISIN)</b>		
8.1. Alpha Code		AGRIA1
8.2. ISIN		ZAG000191214
8.3. Stabilising manager		Not applicable
8.4. Provisions relating to stabilisation		Not applicable
8.5. Method of distribution		Private placement
8.6. Credit Rating assigned to the Issuer/Programme/Notes		None
8.7. Applicable Rating Agency		Not applicable
8.8. Governing Law		South Africa
8.9. Other provisions		Not applicable

### Programme Amount

As at the date of this Applicable Pricing Supplement, the Issuer confirms that the authorised Programme Amount of ZAR 10,000,000,000 has not been exceeded.

### Material Change:

It is confirmed as at the date of this Applicable Pricing Supplement, and after due and careful enquiry, that there has been no material change in the financial or trading position of the Issuer since the date of its last audited annual financial statements other than as announced by the Issuer on SENS on 18

September 2023, setting out the details of the disposal by Zeder Financial Services Limited of its interest in Capespan Group Proprietary Limited, excluding the Pome Farming unit.

As at the date of this Applicable Pricing Supplement, this statement has not been reviewed or reported on by the Issuer's auditors.

### **Information relating to the Investments and the Underlying Transactions**

Additional information and disclosures in relation to Agrarius OpCo will be made quarterly pursuant to the publication of the Investor Report.

### **Shari'ah Compliance**

The SAC has signed off on this Applicable Pricing Supplement, which approval is annexed to this Applicable Pricing Supplement as **Annexure 2**.

### **Use of Proceeds /Sustainability-linked Sukuk Framework**

The proceeds from this Tranche of Notes will be used to undertake Investments in terms of the Master Investment Agreement, within 5 Business Days of receipt by the Issuer of proceeds for the relevant Tranche of Notes by paying the amount of the Investment into a South African bank account nominated by Agrarius OpCo for purposes of concluding the Underlying Transactions.

The proceeds raised from the issue of the Tap Issue Notes set out in this Applicable Pricing Supplement will be further applied in accordance with the Sustainability-linked Sukuk Framework 1, as signed off by the Independent Sustainability Advisor. The Sustainability-linked Sukuk Framework 1 and Independent Sustainability Advisor sign-off can be accessed on the Issuer's website at the following link: <https://www.27four.com/agrarius/investorcentre>.

Other/additional terms to be included as may be relevant to a Tranche of Notes per **Annexure 3** hereto.

A copy of the Independent Sustainability Advisor's opinion on the Sustainability-linked Sukuk Framework 1 has been annexed to this Applicable Pricing Supplement as **Annexure 4**.

### **Additional eligibility criteria with which Investments and the Underlying Transactions must comply**

The eligibility criteria with which Investments and the Underlying Transactions must comply in addition to the provisions of the Master Investment Agreement and the Sustainability-linked Sukuk Framework 1 is detailed in **Annexure 5** to this Applicable Pricing Supplement.

### **Responsibility Statement:**


The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted from the Programme Memorandum or this Applicable Pricing Supplement which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Programme Memorandum together with this Applicable Pricing Supplement, contain all information required by law and the Debt Listings Requirements of the JSE. The Issuer accepts full responsibility for the accuracy of the information contained in the Programme Memorandum, this Applicable Pricing Supplement and all documents incorporated by reference and any amendments or supplements to the aforementioned documents (see the section of the Programme Memorandum headed "*Documents Incorporated by Reference*").


The JSE takes no responsibility for the contents of the Programme Memorandum, the annual financial statements, annual report, this Applicable Pricing Supplement and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Programme Memorandum and the annual financial statements, the annual report or this Applicable Pricing Supplement of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

Application is hereby made to list this issue of Tap Issue Notes on 2 February 2024.

SIGNED at Durbanville on the 31 January 2024

For and on behalf of  
**AGRARIUS SUSTAINABILITY ENGINEERED (RF) LIMITED**

DocuSigned by:  
  
31-Jan-2024 | 08:54 SAST  
6B980EE5F2E74B8...  
Name: **CARL WERNER OPPERMAN**  
Capacity: Director  
Who warrants his/her authority hereto

DocuSigned by:  
  
30-Jan-2024 | 23:40 PST  
60D66D54A7D445C...  
Name: **JOHANNES LODEWICUS DU PREEZ**  
Capacity: Director  
Who warrants his/her authority hereto

**ANNEXURE 1A:**  
**SALIENT TERMS OF MASTER INVESTMENT AGREEMENT**

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**SALIENT TERMS OF THE MASTER INVESTMENT AGREEMENT**

Set out below is a summary of the salient terms of the Master Investment Agreement. The Master Investment Agreement has been made available in terms of the documents incorporated by reference in terms of the Programme Memorandum, pursuant to the section headed “***Documents Incorporated by Reference***”.

**1. Parties**

The parties to the Master Investment Agreement are Agrarius Sustainability Engineered (RF) Limited (i.e. the Issuer), Agrarius Agri Value Chain (RF) Proprietary Limited (i.e. Agrarius OpCo) and AVC Security SPV (RF) Proprietary Limited (i.e. the SPV Guarantor).

**2. Salient Terms**

- 2.1. Agrarius OpCo will, from time to time, offer the Issuer an opportunity to make Investments, in order for Agrarius OpCo to enter into the Underlying Transactions.
- 2.2. Each Investment will be made by the Issuer directly to Agrarius OpCo within 5 Business Days of receipt by the Issuer of proceeds for the relevant Tranche of Notes by paying the amount of the Investment into a South African bank account nominated by Agrarius OpCo.
- 2.3. Each Investment will be made in relation to a Series or Tranche of Notes and will be subject to the details and terms and conditions of the relevant Applicable Pricing Supplement.
- 2.4. The specific details of each Investment shall be contained in a Deed of Accession and will subsequently form part of the Master Investment Agreement.
- 2.5. Each Investment is made by the Issuer for the sole purpose of Agrarius OpCo entering into the Underlying Transactions and for no other purpose.
- 2.6. The amount repayable to the Issuer on a Repayment Date in respect of each Investment shall in each case be an amount equal to the lesser of –
  - 2.6.1. the amount specified in the Applicable Pricing Supplement; and
  - 2.6.2. the actual value realised from the Investments acquired in respect of that Investment.
- 2.7. Each Investment shall be repaid by Agrarius OpCo on the Redemption Date.

**3. Warranties**

The Master Investment Agreement contains warranties which are standard for agreements of this nature.

**4. Governing Law and Jurisdiction**

The Master Investment Agreement will in all respects be governed by and construed under the laws of the Republic of South Africa.

5. The security arrangements between the Issuer and Agrarius OpCo is summarised in the Programme Memorandum under the section headed ‘Description of the Security Structure’.
6. Agrarius OpCo will use the proceeds received from the Investments by the Issuer to pursue the Underlying Transactions with the Ultimate Obligors, as identified, originated and recommended by the Administrator, and through the conclusion of appropriate Underlying Transaction agreements pertaining to the acquisition of assets. The Issuer has entered into an Administration Agreement with the Administrator, which governs the fees earned by the Administrator.
7. The Investments under each Deed of Accession, and assets of Agrarius OpCo associated with each Deed of Accession will be separately identified in the Accounting Records of the Issuer for reporting purposes to allow for, inter alia, the Independent Sustainability Advisor to report accurately on the use of proceeds and

compliance with the Sustainability Framework for each Series or Tranche of Notes, and to enhance performance reporting. These assets and liabilities associated under a Series is however not legally segregated and Noteholders' exposure is not ring-fenced to a particular Series or Tranche of Notes.

DEED OF ACCESSION

1. This Deed of Accession dated \_\_\_\_\_ is supplemental to a master investment agreement concluded between Agrarius Sustainability Engineered (RF) Proprietary Limited (Issuer) and Agrarius Agri Value Chain SPV (RF) Proprietary Limited (Agrarius OpCo) and AVC Security SPV (RF) Proprietary Limited (Security SPV) (the "**Master Investment Agreement**").
2. Words and expressions defined in the Master Investment Agreement have the same meaning when used in this Deed of Accession.
3. On the date of this Deed, the Parties agree that the Investments made as per clause 4 (*Investment offer*) of the Master Investment Agreement will, in relation to Series or Tranche 1 (one) under the relevant Applicable Pricing Supplement, comprise of the following salient features:
- 3.1 Amount to be raised: ZAR 100,000,000 (one hundred million Rand).
- 3.2 Classification of Tap Issue Notes: Senior, secured floating rate, Sustainability-linked asset backed, Shari'ah compliant Tap Issue Notes.
- 3.3 Term of Tap Issue Notes: 20 (twenty ) months and 26 (twenty six) days.
- 3.4 Issue Denomination: ZAR (South African Rand).
- 3.5 Minimum Subscription Amount: ZAR1, 000,000 (one million Rand).
- 3.6 Face value: ZAR 1.0449151 (one Rand, four cents), per Tap Issue Note.
- 3.7 Final Margin: 4.75%
- 3.8 Final profit participation rate: Reference Rate (3 month JIBAR) plus 4,75%.
- 3.9 Issue Date: 2 February 2024.
- 3.10 Periodic Distribution Commencement Date: 30 September 2023.
- 3.11 First Periodic Distribution Date: 31 March 2024 or, if any such date is not a Business Day, the date determined in terms of the Following Business Day Convention
- 3.12 Maturity Date: 28 October 2025, unless redeemed on any Optional Dissolution Date and/or Early Dissolution Date. If any such date is not a Business Day, the date determined in terms of the Following Business Day Convention
- 3.13 Use of Proceeds: the proceeds from the issue will be invested in Agrarius OpCo in accordance with the Master Investment Agreement, which in turn will invest in and/or conclude Underlying Transactions with counterparties in the agriculture value chain sector. All Underlying Transactions will have to be in accordance with the Sustainability-linked Sukuk Framework signed off by the Independent Sustainability Advisor.
- 3.14 Nature of Underlying Transactions:

Transaction type	Estimated value	Description
Cattle	Approx R120 million	Providing capital to fund around 5000 heads of cattle in a feedlot and abattoir operation. Subsequent to the acquisition of cattle, some will be placed through feedlot, processing at the abattoir, and financing distribution. The distribution has three components, export, local distribution (supermarket chains, butcheries and small township stores), processing of meat into various products.




Harvest finance	Approx R100 million	Partnering with an exporter that will fund via a Salam contract to certain farmers. Advance of funding is limited to 30% of the expected value of the harvest. The capital is used to pay for labour, packing and transport cost of the actual harvest.
Commodity finance	Approx R12 million	Acquisition of sustainable produced peas, employing best practice on soil management and low chem. Keeping it in the silos and selling it off to the market.
Processing	Approx R50 million	Acquisition of macadamia nuts from farmers and selling it to the processing plants for production on items sold to consumers and next stage producers.
Packaging	Approx R100 million	Partnering with one of South Africa's largest exporters to acquire and sell to them packaging material used in the export of produce. Collateral is the produce they export, Agrarius gets paid first from any capital received on export.
Input finance	Approx R30 million	Supplying various elements used in the growing of produce to selected farmers linked to a specific crop as the project.

4. This Deed of Accession shall be governed by and construed in accordance with the laws of South Africa.

AGREED AND ACCEPTED:

Signed at Durbanville on 31 January 2024

AGRARIUS SUSTAINABILITY ENGINEERED (RF) LIMITED


DocuSigned by:  30-Jan-2024 | 23:40 PST  
6B980EE5F2E74B8... 60D66D54A7D445C...

Who warrants authority

AGREED AND ACCEPTED:

Signed at Rosebank on 30-Jan-2024 | 23:40 PST 2024

AGRARIUS AGRI VALUE CHAIN (RF) PROPRIETARY LIMITED


DocuSigned by:  60D66D54A7D445C...

Who warrants authority

AGREED AND ACCEPTED:

Signed at Durbanville on 31-Jan-2024 | 08:54 SAST 2024

AGRARIUS AGRI VALUE CHAIN (RF) PROPRIETARY LIMITED

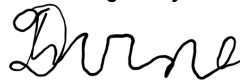
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Who warrants authority

AGREED AND ACCEPTED:

Signed at Newlands on 30-Jan-2024 | 23:02 PST 2024

AVC SECURITY SPV (RF) PROPRIETARY LIMITED

DocuSigned by:  89EF34FA209242B...

Who warrants authority

Certificate of  
Shari’ah Compliance

ALPHA Code: AGRIA1 ISIN:  
ZAG000191214

**Agrarius**

AGRARIUS SUSTAINABILITY ENGINEERED (RF) LIMITED:  
("Agrarius" or "the Company")

in respect of

APPLICABLE PRICING SUPPLEMENT ("APS") – TAP ISSUE (AGRIA1)

ZAR 100,000,000  
SENIOR, SECURED FLOATING RATE,  
SUSTAINABILITY-LINKED, ASSET BACKED SUKUK NOTES  
("Agrarius Sukuk")

under its

ZAR10 billion JSE listed, Shari’ah compliant sustainability-related asset-  
backed Note Programme  
("Note Programme")

We, the members of the Shari’ah Advisory Committee ("SAC") of 27four Investment Managers (Pty) Ltd, have reviewed the terms and conditions of the Agrarius Sukuk to be issued under the Note Programme, the Tap Issue APS and related documentation, the investment processes, procedures and frameworks and hereby confirm that it complies with the rules, principles and requirements of the Shari’ah.



MUFTI AHMED SULIMAN  
SAC Chairman

Signed in Johannesburg on 30 January 2024 on behalf of all SAC members

SAC members: Mufti Ahmed Suliman (chairman), Mufti Zaid Haspatel, Mufti Muhammad Ashraf Qureshi



27FOUR INVESTMENT MANAGERS (PTY) LTD  
Incorporated in the Republic of South Africa  
(Registration No. 2007/006556/07)  
(FSCA license number 31045)

Registered Office: Firestation Rosebank, Fifth Floor, 16 Baker  
Street, Rosebank, 2196, Johannesburg, South Africa  
www.27four.com | +27 11 442 2464



AGRARIUS SUSTAINABILITY ENGINEERED RF LIMITED  
Incorporated in the Republic of South Africa  
(Registration No. 2022/521382/06)  
ISIN: ZAG000191214 Alpha Code: AGRIA1

Registered Office: Firestation Rosebank, Fifth Floor, 16  
Baker Street, Rosebank, 2196, Johannesburg, South Africa  
www.27four/Agrarius/ | +27 11 442 2464

**ANNEXURE 3:**  
**OTHER/ADDITIONAL TERMS RELATING TO NOTES**

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There are no other/additional terms relating to the Tap Issue Notes.

## ANNEXURE 4: INDEPENDENT SUSTAINABILITY ADVISOR'S OPINION ON THE SUSTAINABILITY-LINKED SUKUK FRAMEWORK 1

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Independent Pre-Issuance Second Party Opinion (SPO)  
to the Directors of Agrarius for the  
Agrarius Sustainability-Linked Sukuk (SLS)



### Introduction

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IBIS ESG Consulting Africa (Pty) Ltd (IBIS) has been engaged by Agrarius Sustainability Engineered (Agrarius) to perform a pre-issuance Second Party Opinion (SPO) assurance engagement to determine the alignment of its Agrarius Sustainability-Linked Sukuk (SLS) with the International Capital Market Association (ICMA) Sustainability-Linked Bond Principles (SLBP) of June 2020. (The Sukuk is a Shari'ah compliant fixed-income instrument similar to a bond. Any reference to Sukuk in this SPO should be read in terms of the ICMA SLBP requirements.) This report is produced in accordance with the terms of our engagement letter dated 28 September 2022.

### IBIS independence and quality control

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IBIS is an independent provider of non-financial assurance services. This engagement was conducted by a multidisciplinary team of non-financial assurance specialists led by Petrus Gildenhuys, who has more than 25 years' experience in non-financial performance measurement involving both advisory and assurance work and supported by ESG and Impact specialist Chelsea Markowitz. IBIS conducted the engagement based on the *International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information* issued by the International Auditing and Assurance Standards Board, which Standard inter alia requires that the assurance practitioner follows due process and comply with ethical requirements.

### Scope and Objectives

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The scope of the engagement is confined to undertaking a pre-issuance Limited Assurance engagement on the Agrarius' SLS alignment with the ICMA SLBP of June 2020 (the criteria) in terms of:

- Selection of Key Performance Indicators (KPIs),
- Calibration of Sustainability Performance Targets (SPTs),
- Bond/Sukuk characteristics; and
- Reporting.

IBIS' responsibilities do not extend to any other disclosures or assertions. No assurance is provided regarding the baseline values of the KPI assured by any third party or prospective financial performance of any instrument issued in terms of the Agrarius Sustainable Sukuk Framework (SLSF).

### Respective responsibilities

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The management of Agrarius is responsible for generating and maintaining accurate and reliable information provided to IBIS for this assessment. IBIS shall not be held liable if any of the information provided by Agrarius's management were not accurate or complete.

IBIS' responsibilities are to conduct an assurance engagement and to report its conclusions to the Directors of Agrarius in accordance with the assurance procedures followed.

### Inherent limitations

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The evidence gathering procedures performed in a Limited assurance engagement vary in nature, and are less in extent than for, a Reasonable Assurance engagement. As a result, the level of assurance obtained in a Limited Assurance engagement is lower than the assurance that would have been obtained had we performed a Reasonable Assurance engagement.

**Restriction of liability**

Our work has been undertaken to enable us to express the conclusion on the specified scope and objectives of the engagement to the Directors of Agrarius in accordance with the terms of our engagement, which include the publication of this assurance statement, and for no other purpose. We do not accept or assume responsibility to any third parties i.e., other than to the Directors of Agrarius, for our work or for this report to the fullest extent permitted by law, save where such third parties have obtained our prior written consent.

**Summary of work performed**

Agrarius provided IBIS with the SLSF document and supplementary information to support the independent assurance process. IBIS' limited assurance procedures were based on our professional judgement and consisted of:

- Management enquiry,
- Inspection and corroboration of the Agrarius SLSF information and statements, and
- Evaluation of the Agrarius SLS characteristics against the ICMA SLBP requirements related to selection of KPIs, calibration of SPTs, Sukuk characteristics, and reporting.

**Summary of Findings**

**Selection of KPIs**

The Agrarius' SLS is based on Agrarius' sustainable investment approach. Agrarius' aspirations include one Combined Environmental Protection, Health and Safety, Labour and Working Conditions, and Food Safety thematic component with one supporting KPI with SPTs covering three consecutive years.

*Table 1: Agrarius SLS themes, KPI description, and rationale for selection*

Themed Component
Combined Environmental Protection, Health and Safety, Labour and Working Conditions, and Food Safety
KPI Description
<b>% Of the portfolio (in Rand value) that is certified with a third-party sustainability standard.</b> Standards accepted by this KPI include Global G.A.P., GRASP, SIZA Environmental, SIZA Social, LEAF MARQUE, and Rainforest Alliance.  The entities forming part of the portfolio and their respective concentrations within the portfolio will fluctuate regularly throughout the lifespan of the Sukuk. Therefore, Agrarius will employ a time weighted monthly calculation method to determine % of portfolio that is certified each month. This method will both ensure that the certification levels taken at each SPT measurement date are an accurate reflection of the portfolio over the year, and also ensure that there is no





<p>room for manipulation of the portfolio concentrations in order to achieve higher certification levels on the SPT measurement dates.</p> <p>Calculations will be completed on a monthly basis (in arrears) on total capital relating to the relevant sukuk (the calculation will be based on the Rand value and not the number of transactions). Each month the percentage of capital that is deployed to projects that meet the SPT versus those that don't will be calculated. Capital not yet deployed will count as not meeting the SPT. Monthly values will be weighted for the applicable measuring period. For example, for a 12-month observation period, the value will be divided by 12, and/or by 36 for a 36-month observation period. Those monthly values will be added up and used to determine whether the KPIs have been achieved for the relevant observation period.</p>
<p><b>Rationale for selection of the KPIs</b></p> <p>The rationale for improving third party sustainability standards certification aligns to Agrarius' sustainability objectives to contribute to a circular economy, and also to Agrarius' sustainable investment approach of integrating environmental and social factors into the investment process. Entities that are certified with the standards accepted by this KPI commit to various environmental and social management practices, including waste management, soil management, pest management, land conservation, biodiversity protection, human rights, fair working conditions and health and safety standards for workers.</p>

The selection of the KPI is determined by the following characteristics:

- Relevance and Materiality,
- Measurability,
- Verifiability, and
- Ability to be benchmarked.

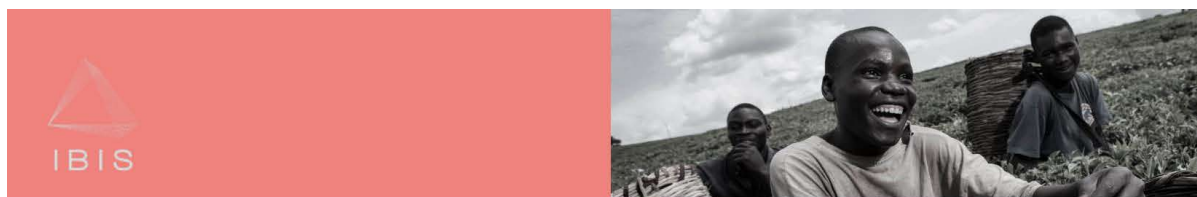
The operational boundary for the KPI is aligned to Agrarius's financial and non-financial reporting period. The reporting boundary is Agrarius Sustainability Engineered RF Limited investment vehicle that is managed by 27four and excludes all other entities managed by 27four.

**Verification of KPIs against ICMA Principles**

An overview of the findings for the selected KPI for the Agrarius SLS are presented in the tables below.

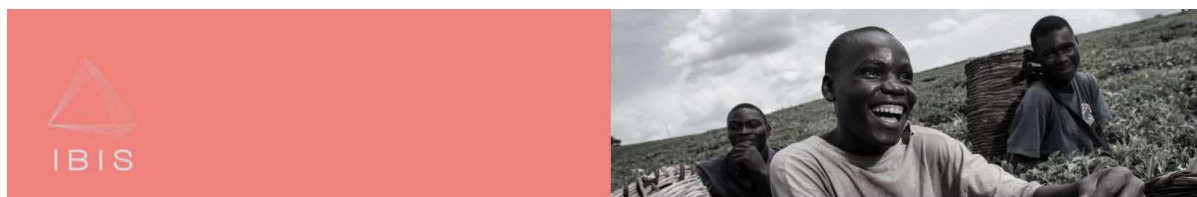
*Table 2: KPI – % of the portfolio (Rand value) certified with a third-party sustainability standard*

KPI Characteristics	Evaluation Results
<p><b>Relevance and materiality</b></p>	<p>The KPI (i.e., third party agricultural sustainability standards certification) is material to Agrarius' mission to transform the global agricultural sector from an extractive economy to a circular economy through meeting both sustainability and investor returns criteria.</p> <p>The external environmental and social standards are internationally recognised as relevant to verify environmental and social sustainability in the agriculture sector. Specifically, the chosen standards cover the following topics:</p> <p>GLOBALG.A.P:</p> <ul style="list-style-type: none"><li>• Human resources management and training</li><li>• Food safety</li><li>• Worker health and hygiene</li><li>• Land restoration</li></ul>



KPI Characteristics	Evaluation Results
	<ul style="list-style-type: none"> <li>• Biodiversity management</li> <li>• Waste management (use and quality)</li> <li>• Integrated Pest Management</li> <li>• Plant Protection Products</li> </ul> <p>GLOBALG.A.P GRASP</p> <ul style="list-style-type: none"> <li>• Human Rights</li> <li>• Forced Labour</li> <li>• Child Labour</li> <li>• Freedom of Association</li> <li>• Grievance Mechanism</li> <li>• Terms and Conditions of Employment</li> <li>• Wages</li> <li>• Working Hours</li> <li>• Disciplinary systems</li> </ul> <p>SIZA Environmental Standard</p> <ul style="list-style-type: none"> <li>• Water</li> <li>• Soil</li> <li>• Energy, materials &amp; waste; and</li> <li>• Farm ecosystems &amp; biodiversity</li> </ul> <p>SIZA Social Standard</p> <ul style="list-style-type: none"> <li>• Forced labour</li> <li>• Child Labour</li> <li>• Freedom of Association &amp; Collective Bargaining</li> <li>• No Discrimination, Harassment &amp; Abuse</li> <li>• Health &amp; Safety</li> <li>• Working Hours</li> <li>• Wages, Benefits &amp; Terms of Employment</li> </ul> <p>LEAF MARQUE</p> <ul style="list-style-type: none"> <li>• Organisation and Planning</li> <li>• Soil Management and Fertility</li> <li>• Crop Health and Protection</li> <li>• Pollution Control and By-Product Management</li> <li>• Animal Husbandry</li> <li>• Energy Efficiency</li> <li>• Water Management</li> <li>• Landscape and Nature Conservation</li> <li>• Community Engagement</li> </ul> <p>Rainforest Alliance</p> <ul style="list-style-type: none"> <li>• Forests and biodiversity</li> <li>• Climate</li> <li>• Rural livelihoods</li> <li>• Human rights</li> </ul>

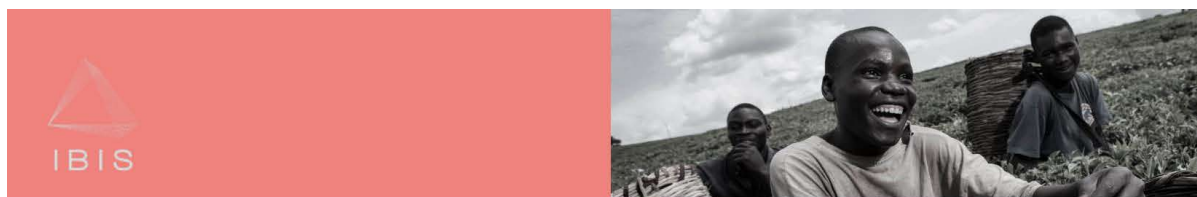




KPI Characteristics	Evaluation Results
	<p>Agrarius' core business strategy is also linked to economic, social and environmental sustainability, with the aim to support the transformation to sustainable agriculture, promote the development of rural economies; and encourage entrepreneurship. Among these three objectives, the KPI covers the first (transformation to sustainable agriculture).</p> <p>The KPI is materially aligned with the target requirements defined by the United Nations Sustainable Development Goals (UN SDGS) 12: Responsible Production and Consumption, and SDG 15: Life on Land.</p>
<b>Measurability</b>	<p>This KPI is feasibly measurable by aggregating the total value of capital deployed to certified portfolio companies (derived based on evidence of certification provided by the companies) and dividing the result by the total value of deployed capital to the portfolio. This result is then time weighted based on the observation period as per the calculation method described above.</p>
<b>Verifiability</b>	<p>This KPI is verifiable through the direct inspection of the certification documents for each accepted standard, as well as subsequent audit documents which reaffirm compliance with the standard. Each standard has its own external assurance/verification process.</p> <p>At each SPT date (12 months, 24 months, and 36 months) documentation will be requested from all entities to ensure that they have undergone the required audits and maintained certification status.</p>
<b>Ability to be benchmarked</b>	<p>A high-level investigation of agricultural industry information conducted by IBIS and Agrarius did not reveal any readily available external benchmarks for third party sustainability standards. This is therefore considered to be a limitation of the chosen KPI.</p> <p>However, Agrarius has made efforts to estimate the baseline and maximum potential certification levels for the portfolio based on internal investigation/research on sustainability certification levels in South Africa, utilisation of publicly available data provided by each of the selected certification bodies, and limited discussions with certification bodies. Both G.A.P and SIZA provide information on the number of certified producers in agricultural subsectors.</p> <p>In the table below, Agrarius has estimated both the baseline and maximum potential third-party certification levels for the transactions in the current SLS working pipeline. This table is used to estimate the baseline pre-capital deployment and develop the SPTs that are detailed in the next section. It is important to note that the portfolio transactions are not yet finalised and the final portfolio transactions are subject to changes. The total capital to be deployed will be R500 million.</p>

**Table 3: Baseline and Potential Third-Party Sustainability Standard Estimations for the Current Working Pipeline (Rand, Millions)**

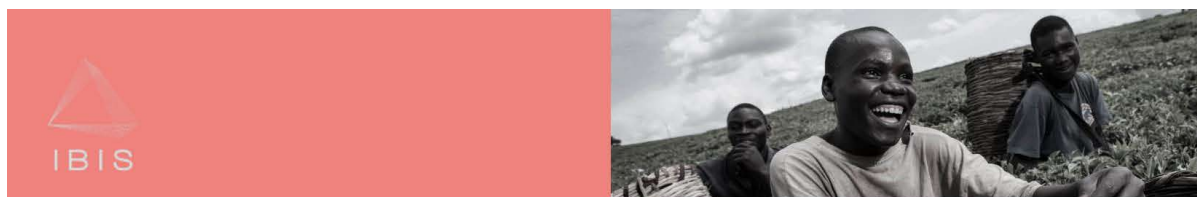
Nature of Transaction	Potential Size	Baseline Certification Value Estimate	Potential Certification Value Estimate	Explanation for the baseline and potential estimates
<b>Stock Finance</b>	ZAR 150m	ZAR 60m	ZAR 150m	<ul style="list-style-type: none"> <li>The transaction is a sales agreement with one of the largest co-ops in South Africa (Agrarius sells farming inputs to co-op, co-op sells on to their network of farmers).</li> </ul>



Nature of Transaction	Potential Size	Baseline Certification Value Estimate	Potential Certification Value Estimate	Explanation for the baseline and potential estimates
				<ul style="list-style-type: none"> <li>The co-op has indicated commitment to driving sustainability as one of their key strategic focus points.</li> <li>The majority of farmers will be producing high value crops such as citrus, pome fruit, stone fruit and table grapes, where G.A.P and SIZA certification is common<sup>1</sup>.</li> <li>Based on the high levels of certification in these sectors and discussions with the co-op, Agrarius believes that they can initially (at baseline) deploy a maximum of 40% of capital to farmers who are already certified and will be able to work with the co-op and network of farmers to reach 100% certification by year 3.</li> <li>This transaction is key to Agrarius meeting sustainability targets over the Sukuk lifespan, as the co-op partner has demonstrated willingness to work towards sustainability standards.</li> </ul>
<b>Harvest Finance</b>	ZAR 100m	ZAR 100m	ZAR 100m	<ul style="list-style-type: none"> <li>The transaction is through a partnership with an exporter, and also concentrated in the high value crops identified above (citrus, pome fruit, stone fruit and table grapes). It is likely that the majority of farmers that are exporting in these sectors already have sustainability certification</li> <li>For example, based on internal industry research conducted by Oursource<sup>2</sup>, roughly 88% of export-focused farm operations in the fruit industry in South Africa have either a G.A.P., GRASP, SIZA or RA certification)</li> <li>Agrarius plans to make certification compulsory as a prerequisite for the selection of farmers; hence the estimate of 100% baseline certification.</li> <li>This transaction is key to the baseline estimation of 35% certification.</li> </ul>
<b>Cattle</b>	ZAR 120m	ZAR 0m	ZAR 60m	<ul style="list-style-type: none"> <li>The transaction funds cattle to pass through the feedlot, abattoir and distribution routes via export, local markets and processing.</li> <li>No known purely environmental focused sustainability standard available yet for cattle (based on research and industry discussions) that can be easily implemented.</li> <li>Agrarius will aim to work with farmers to achieve social certification, particularly through SIZA. SIZA reports that 28 cattle farmers are currently SIZA social certified. Agrarius estimates that they can achieve 50% of deployed capital as SIZA-certified by the end of year three.</li> </ul>
<b>Processing</b>	ZAR 25m	ZAR 12m	ZAR 15m	<ul style="list-style-type: none"> <li>The transaction is purchasing mangoes to be used in the processing of dried mangoes.</li> <li>Currently, a low percentage of mango producers in Agrarius' network are certified because most mangos are purchased towards the end of the season and not destined for export markets.</li> </ul>

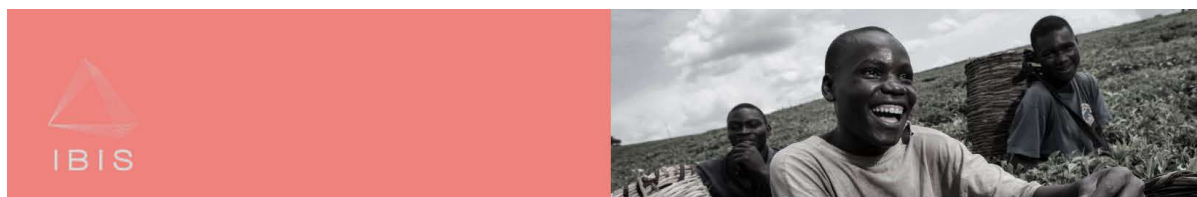
<sup>1</sup> Citrus, pome fruit, stone fruit and table grapes comprise over 60% of all SIZA certifications and are produced by 1,965 total SIZA members. In South African, 353 table grape producers, 336 peach producers, 383 apple producers, 623 orange producers, 647 lemon producers and 441 pear producers are G.A.P certified.

<sup>2</sup> Oursource is an independent specialized advisory and solutions company headquartered in Paarl, South Africa. The firm provides services including business evaluation, economic valuations, corporate finance solutions, business plans, and strategies. Source caters to sectors including livestock, aquaculture, fruit, nuts, food processing, forestry, and agri inputs.



Nature of Transaction	Potential Size	Baseline Certification Value Estimate	Potential Certification Value Estimate	Explanation for the baseline and potential estimates
				<ul style="list-style-type: none"> <li>Agrarius is anticipating partnering with a dry mango processor and making the purchase of mangos from certified farmers a covenant of the agreement and/or offering better payment terms to certified farmers.</li> <li>Currently, there are 24 SIZA- certified mango producers, and 10 G.A.P certified mango producers in South Africa.</li> </ul>
Packaging	ZAR 60m	ZAR 60m	ZAR 60m	<ul style="list-style-type: none"> <li>The transaction is purchasing and selling packaging material to farmers through a partnership with an exporter.</li> <li>Agrarius' objective to select farmers in crops with high certification rates such as citrus, pome fruit, stone fruit and table grapes, and therefore Agrarius estimates that they can deploy capital to 50% certified farmers at baseline.</li> <li>Certification can be made compulsory as a prerequisite for the selection of farmers, hence the estimate of 90% deployed capital to certified farmers by year 3.</li> <li>Agrarius also aims to achieve sustainability certification for the packaging materials as a longer-term objective within the Sukuk lifespan.<sup>3</sup></li> </ul>
Packaging	ZAR 25m	ZAR 10m	ZAR 20m	<ul style="list-style-type: none"> <li>The transaction is a potential partnership with a private equity fund to purchase a packaging operation. This will allow Agrarius more operational control, hence the estimation of 80% of capital deployed to certified farmers.</li> <li>As above, Agrarius aims to also certify packaging materials.</li> </ul>
Input Finance	ZAR 30m	ZAR 0m	ZAR 20m	<ul style="list-style-type: none"> <li>The transaction is selling inputs to farmers producing vegetable crops such as potatoes, butternuts, and onions for local consumption.</li> <li>While these farmers will likely not be certified at baseline as they are producing for local production, Agrarius aims to work with these farmers to achieve SIZA-social and Rainforest Alliance certification. SIZA social currently has 142 certified fresh vegetable farmers. Rainforest Alliance certification is also possible.</li> </ul>
Harvest Finance	ZAR 50m	ZAR 25m	ZAR 30m	<ul style="list-style-type: none"> <li>This transaction focuses on vegetables and fruit produced for the local market, as compared to the above-mentioned harvest finance transaction which is more focused on export-orientated fruit.</li> <li>Agrarius estimates that 50% of baseline capital can be deployed to certified farmers, increasing slightly to 60% through working with farmers to achieve SIZA and G.A.P certifications. Rainforest Alliance certification is also possible.</li> </ul>
Commodity Finance	ZAR 12m	ZAR 0m	ZAR 10m	<ul style="list-style-type: none"> <li>The transaction is the purchase of sustainably produced peas for sale to local markets.</li> <li>While the pea farmers in Agrarius' network are currently not certified as they are not export-focused, Agrarius aims to make certification a requirement and/or financial incentive for the next round of financing. As farmers are already producing peas organically, it is envisioned that G.A.P and SIZA environmental certification will be more feasible for these farmers to achieve.</li> </ul>

<sup>3</sup>Sustainable packaging certifications are not currently included in the approved third-party sustainability certifications as a part of this Sukuk. However, as per the terms of this SPO, Agrarius has the option to present additional certifications for review and verification by IBIS throughout the lifespan of the Sukuk (an example of a packaging certification is the Forest Stewardship Council packaging certification).



Nature of Transaction	Potential Size	Baseline Certification Value Estimate	Potential Certification Value Estimate	Explanation for the baseline and potential estimates
				<ul style="list-style-type: none"> <li>Currently two pea producers are G.A.P certified in South Africa. Rainforest Alliance certification is also possible.</li> </ul>
Processing	ZAR 50m	ZAR 0m	ZAR 30m	<ul style="list-style-type: none"> <li>The transaction is the purchase of macadamia nuts to be sold for processing.</li> <li>While the macadamia nut farmers in Agrarius' network are currently not certified as they are not export-focused, Agrarius aims to make certification a requirement and/or financial incentive for the next round of financing as there is less pressure from primarily Asian buyers in this subsector. Some macadamia producers are also producing certified citrus, and therefore Agrarius will target these farmers for the macadamia transaction.</li> <li>Currently, ten macadamia nut farmers are G.A.P. certified in South Africa, 102 (general) nut producers are SIZA-social certified and 72 (general) nut producers are SIZA-environmental certified. Rainforest Alliance certification is also possible.</li> </ul>
Commodity Finance	ZAR 100m	ZAR 0m	ZAR 0m	<ul style="list-style-type: none"> <li>The transaction is financing the production of maize.</li> <li>Certification in this sector is uncommon and will be challenging to achieve. Agrarius will aim to work with some farmers to achieve SIZA social; however, this may not be possible and hence a conservative estimate is made that 0% of capital can be deployed to SIZA-certified farmers by the end of year 3.</li> </ul>
<b>TOTAL</b>	<b>ZAR 722m</b>	<b>ZAR 255m</b>	<b>ZAR 495m</b>	
Estimated Baseline Certification: 35% of portfolio value (equation: total baseline certification value /total transaction value)				
Estimated Potential Certification: 69% of portfolio value (equation: total potential certification value/total transaction value)				

### Calibration of SPTs

The SPTs are time bound targets set for the KPI. The SPTs indicate the ambition levels of Agrarius and consider whether these ambitions are realistic. The SPTs must:

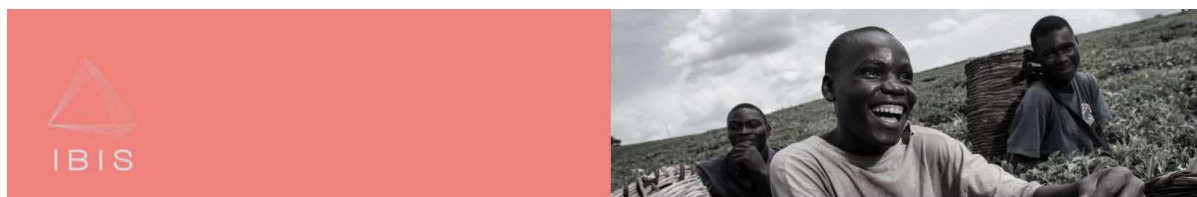
- Materially improve the KPI from a Business-as-usual (BAU) scenario,
- Align with Agrarius' business strategy, and
- Be set on a predetermined timeline.

The selected SPTs related to Agrarius' expressed ambitions beyond BAU are described below.

*Table 4: Agrarius' SLS SPTs and description of the ambition level*

Themed component	SPT	Baseline Year	Baseline Performance
Combined Environmental Protection, Health and Safety, Labour	<p>A time-weighted calculation method has been chosen, to provide for the expected low percentage of certification levels at the beginning of the Sukuk lifespan.</p> <p>Targets of 30%, 45% and 60% are chosen as the Sukuk</p>	2022	The exact baseline performance will be determined 6 months post- initial capital deployment when

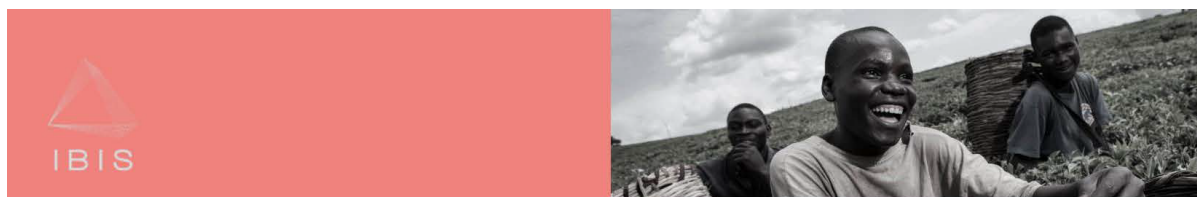




Themed component	SPT	Baseline Year	Baseline Performance								
and Working Conditions, and Food Safety	<p>SPTs.</p> <table><tr><th>Target Date</th><th>SPT</th></tr><tr><td>12 months post-capital deployment</td><td>30%</td></tr><tr><td>24 months post- capital deployment</td><td>45%</td></tr><tr><td>36 months post- capital deployment</td><td>60%</td></tr></table> <p>Calculations will be done on a monthly basis (in arrears) on total capital relating to the relevant Sukuk. The calculation will be based on the Rand value and not the number of transactions. Each month the percentage of capital deployed to projects that meet the KPIs versus those that don't, will be calculated. Capital not yet deployed will count as not meeting the KPIs. Monthly values will be weighted for the applicable measuring period. For example, if it is for a 12-month observation period, the value will be divided by 12, and/or by 36 for a 36-month observation period. Those monthly values will be added up and used to determine whether the KPIs have been achieved for the relevant observation period.</p>	Target Date	SPT	12 months post-capital deployment	30%	24 months post- capital deployment	45%	36 months post- capital deployment	60%		the full amount of capital has been deployed.
Target Date	SPT										
12 months post-capital deployment	30%										
24 months post- capital deployment	45%										
36 months post- capital deployment	60%										

Table 5: KPI - % of the portfolio (Rand value) certified with a third-party sustainability standard

SPT criteria	Agrarius alignment
Improvement in relation to BAU	<p>Based on industry knowledge and research conducted by IBIS, Agrarius and industry expert Oursource, third-party sustainability certification levels are understood to be low and/or non-existent in most subsectors outside of the export-focused fruit subsector (see table 3 and footnote 2).</p> <p>Therefore, Agrarius' commitment to work with farmers and farming entities to improve their agricultural practices and achieve certification represents an improvement from Business-As-Usual. In the absence of this Sukuk, the farmers that are not certified at baseline would not have these requirements from their existing buyers and therefore would normally not seek certification or necessarily implement the required improved agricultural practices.</p> <p>Agrarius' approach is also innovative and ambitious in that Agrarius has chosen a KPI that has not yet been tested in the market and has the potential to set a new precedent for sustainability-linked agricultural instruments that are issued by other market players in future.</p>
Alignment with business strategy and timeline	<p>Agrarius' sustainability strategy is first and foremost to support the transition from an extractive economy to a circular economy, with the following specific objectives: support new, or expand existing, local production, processing or manufacturing capacity, integrating environmental and social sustainability criteria into the investment process,</p>



SPT criteria	Agrarius alignment
	<p>contributing to economic development and benefiting the rural economy through the creation of new jobs, facilitating increased exports, and enhancing competitiveness, utilising technologies and business practices that contribute to environmental health, supporting food security and facilitating a just transition.</p> <p>The chosen KPI and its supporting third-party sustainability standards contribute to achieving a circular economy by including provisions on waste management, water and energy use. The standards also support social standards (e.g., safe and healthy working conditions for workers, human resources management, fair labour standards) and additional environmental standards (biodiversity, pollution prevention).</p> <p>A shortcoming of the chosen KPI is that it does not cover the economic development aspect of Agrarius' sustainability strategy (rural economic development, job growth, increased exports and competitiveness), which is central to Agrarius' business model and approach. This may be a consideration for future Sukuk issuances and is addressed in the recommendations section of the supplementary management report.</p>

### Sukuk Characteristics

The Agrarius SLS was developed in accordance with the ICMA SLBP, dated June 2020. The Sukuk includes financial characteristics to ensure that a coupon benefit and penalty are implemented based on performance against SPTs associated with the KPI. The SLS has been structured with a target per KPI up movement in the margin. For the chosen KPI there is a maximum penalty of 25 basis points (bps) at each SPT date (i.e., each year). This means that if the third-party certification target is not met the margin will increase by 25bps. This is applicable at each target date. The Sukuk structure also allows for retrospective achievement of targets. For example, if the year one target is achieved in year two, the margin will remain the same to accommodate for the retrospective achievement of the year one target (decrease in 25 bps) but missing the year two target (increase in 25bps). The rate hike of 0.25% (25bps) was chosen as this is the common interval of South African Reserve Bank interest rate hikes.

The relevant benefit and penalty structure, defined as a basis point adjustment at each target observation date is in line with South African market standards and present a meaningful relief and/or penance for Agrarius.

### Reporting and Verification

Agrarius has committed to report on the performance of the KPI in a Sustainability or similar report on an annual basis made accessible on the Company's website. The report will include information on the performance of the KPI, including any adjustments to previously disclosed data. It will also include performance against the Sustainability Performance Target and any relevant information regarding verification. Material issues arising will also be included in the annual reporting.

In the absence of any historical information on reporting considering that Agrarius is a newly developed investment vehicle, Agrarius's stated commitments made to report performance against the KPIs in a sustainability report and publication of verification results on the company website is considered to be aligned to ICMA Principles.



### **Assurance Conclusion**

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We believe that the information provided by Agrarius, and the assessment performed by IBIS are sufficient and appropriate to form a basis for our Limited Assurance conclusion.

In our opinion, and based on our Limited Assurance procedures conducted, nothing has come to our attention that causes us to believe that the Agrarius SLS does not conform in all material respects to the ICMA SLBP of June 2020 with regard to:

- Selection of KPIs,
- Calibration of SPTs,
- Bond/Sukuk characteristics; and
- Reporting.

A comprehensive management report detailing our observations and recommendations for improvement has been submitted to Agrarius management for consideration.

A handwritten signature in black ink, appearing to read 'P. Gildenhuys'.

Petrus Gildenhuys

**Director, IBIS ESG Consulting Africa (Pty) Ltd**

Johannesburg

17 October 2022

## ANNEXURE 5:

### ELIGIBILITY CRITERIA FOR INVESTMENTS AND UNDERLYING TRANSACTIONS

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#### 1. General

In accordance with the Programme Memorandum, each Tranche of Notes will be supported by an Applicable Pricing Supplement which will set out the terms and conditions associated with the specific Tranche of Notes, as read with the Programme Memorandum, as well as the eligibility criteria to be applied by Agrarius OpCo in considering, approving and concluding Underlying Transactions, including, *inter alia*:

- criteria for counterparties;
- nature of transaction;
- transaction term;
- maximum and minimum transaction values;
- minimum security requirements;
- financial and trading history; and
- ESG criteria.

#### 2. Eligibility Criteria

The Issuer, Agrarius OpCo, AVC Security SPV and the Noteholders hereby agree that the Investments and Underlying Transactions to be financed from the proceeds from the issuance of Tap Issue Notes will, in addition to the provisions detailed in the Programme Documents, comply with the additional criteria as detailed in this Annexure 5.

##### 2.1. Criteria for the counterparties

Counterparties to Underlying Transactions must satisfy the following minimum criteria:

- 2.1.1. must be a juristic person whose asset value or annual turnover, together with the combined asset value or annual turnover of all related and inter-related juristic persons, at the time the agreement is concluded, is equal to or exceed R2.5 million;
- 2.1.2. must be a taxpayer in good standing;
- 2.1.3. must be actively involved in the agriculture sector (i.e. passive and/or speculative counterparties will not be considered);
- 2.1.4. must have been operating and trading as a business for at least 3 years and the key management must have at least 10 years demonstrable experience in the agriculture sector and within executive management positions;
- 2.1.5. must be compliant with all relevant legislation and regulations, including relating to broad based black economic empowerment and labour;
- 2.1.6. must be involved in starting a new processing/beneficiation operation or in expanding or upgrading an existing processing/beneficiation operation in the agriculture sector value chain; and
- 2.1.7. insofar empowerment related transactions, more relaxed criteria may be applicable, provided that the total exposure does not exceed 5% of the total value of the portfolio.

##### 2.2. Nature of the Underlying Transactions

All Investments and Underlying Transactions will fall within the following main categories of transactions:

- 2.2.1. **Mudarabah** (profit and loss sharing transactions): is a contract between two parties; one provides the capital and the other provides the labor to form a partnership to share the profits by certain agreed proportions.
- 2.2.2. **Musharakah** (joint venture transactions): is a financial contract between two or many parties to establish a commercial enterprise based on capital and labor. The profits are split according to the agreement between the parties whilst losses are always split according to the ratio of capital contribution.



- 2.2.3. **Murabahah** ("cost plus" method transactions): refers to a sale of a good or property with an agreed profit against a deferred or a lump sum payment. There are two contracts in Murabahah: the first contract is between the client and the financier, whereas the second contract is between the financier and supplier. As an example: the client (purchaser) orders a certain commodity through the financier, the financier then buys the commodity from the supplier and sells it to the client with specified profit whereby the client can make a lump sum or a deferred payment to the financier.
- 2.2.4. **Ijarah** (leasing transactions): refers to transactions in which two parties are involved therein: the lessee and lessor. The lessor (financier) is the real owner of the asset or property and it is rented out to the lessee until full payment is received. At contract maturity, the lessor may opt to keep the asset or transfer it to the lessee via a purchase and sale agreement or as a gift.
- 2.2.5. **Salam** (deferred delivery transactions): refers to transactions where full payment for goods are made in advance by the financier but the delivery of the goods is made at an agreed future date.
- 2.2.6. any additional categories of transactions as may be directed by the SAC, provided that it complies with any relevant legislation.

### 2.3. Terms of the Investments and Underlying Transactions

All Investments and Underlying Transactions will be subject to the following additional terms/criteria:

- 2.3.1. all Underlying Transactions are concluded in terms of legally valid and binding agreements and that all the requisite authorizations are obtained;
- 2.3.2. all Underlying Transactions are asset-backed;
- 2.3.3. the aggregate value of a transaction is limited to R150 million. Any transaction where the value exceeds the R150 million value limit, the transaction must first be unanimously authorized by the board of the Issuer and the Agrarius Credit Committee;
- 2.3.4. the term of Underlying Transactions will be for a maximum of 12 months. Should Underlying Transactions with a longer term be considered, it must be unanimously approved by the board of the Issuer and the Agrarius OpCo Credit Committee;
- 2.3.5. the SAC and Agrarius OpCo Credit Committee thoroughly assessing each and every Investment and/or Underlying Transaction, which assessments shall include aspects such as financial ratios, investment potential and management of non-permissible income;
- 2.3.6. sign-off by the SAC and Agrarius OpCo Credit Committee a condition precedent;
- 2.3.7. at least 30% of the portfolio of assets should comprise tangible assets;
- 2.3.8. counterparties may be required to submit a business plan in certain instances;
- 2.3.9. counterparties will be subject to a credit sign-off by Agrarius OpCo;
- 2.3.10. the project/business must exhibit economic merit in terms of profitability and sustainability;
- 2.3.11. only supporting activities that promote benefits to society and the environment;
- 2.3.12. prohibiting practices that aim to cultivate unjust gains such as speculation, short selling or excessive risk-taking;
- 2.3.13. sharing of risk and rewards on an equitable basis;
- 2.3.14. ensuring that transactions comply with rules that ordain amongst others trust, faithfulness to contracts, transparency and prohibition of interference or manipulation of market forces as well as coalitions (both in respect of investors and agri counterparties in underlying transactions);
- 2.3.15. excluding investments and/or transactions in prohibited goods or services that are harmful to humans and society as defined by the Shariah;
- 2.3.16. if any of the assets cease to be Shari'a compliant at any time during the duration of the Tap Issue Notes, they must be removed from the pool of assets and be replaced with Shari'a-compliant assets;

2.3.17. must comply with the criteria detailed in the Sustainability-linked Sukuk Framework.