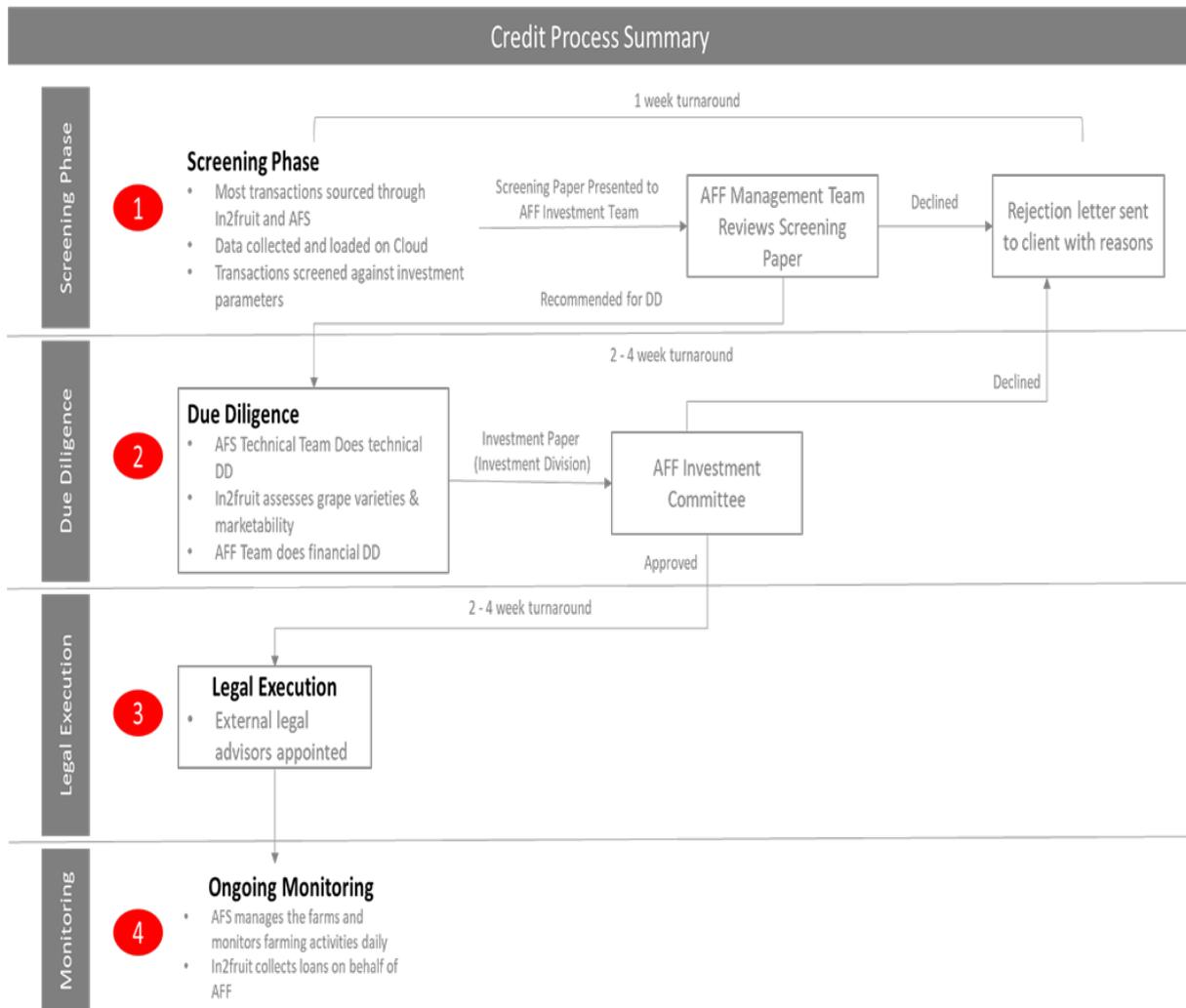


AGRI FINANCE FACILITY (PTY)LTD

Credit Policy: Eligibility, Credit Pricing, Onboarding, Execution and Monitoring

Version 2.0 | 1 October 2025

Onboarding and credit process summary



The Credit Process entails four phases, namely screening phase, due diligence, legal execution and ongoing monitoring.

1. Screening Phase

Most applications are currently sourced through In2fruit and/or Agri Farming Services (AFS). Upon receipt of the application, a screening pack is requested for eligibility assessment which includes financial statements, management accounts, current loan agreements and the current budget. The data collected is then loaded onto Dropbox and a screening paper prepared. AFF management

reviews the screening paper and takes a decision whether to proceed with the opportunity. If the opportunity is declined, then a letter is written to the client with reasons.

2. Due Diligence Phase

For transactions which are recommended for due diligence A site visit is carried out to establish overall credibility and viability of the applicant's farming operations. This includes, but not limited to,

- a. Technical Due Diligence which includes:
 - i. Farming technology used
 - ii. Environmental practices
 - iii. Production quality and yields
 - iv. Varieties and age of the vines and/or trees
- b. Legal Due Diligence which includes:
 - i. Litigation
 - ii. Compliance with regulations
 - iii. Constitutional documents of the company
 - iv. All material agreements
- c. Human resources which includes:
 - i. Management experience
 - ii. Compensation compliance with regulations
 - iii. Ongoing litigation with employees
 - iv. Retention and success planning policies
- d. Financial Due Diligence
 - i. Assessment of the historical performance and financial of the company
 - ii. Assessment of the budget of the company
 - iii. Review of the valuation of the assets of the company
 - iv. Assessment of tax submissions and payments of the company

Once the due diligence is completed, an investment paper is completed which is then presented to the investment committee for approval. If the investment is declined, the applicant is issued a letter with reasons.

3. Legal Execution Phase

For approved transactions, pricing is done to establish the pricing. The applicant is then issued with a final binding term sheet which forms the basis of final legal agreements. Lawyers are appointed to draw up the final legal agreements.

Credit Policy

| Credit Policy Section | Description |
|-------------------------------|---|
| 1. Credit Worthiness | <p>The applicant needs to qualify for loan financing based on its existing:</p> <ol style="list-style-type: none"> Debt history Current debt levels Available Security Liquidity Profitability of the farm |
| 2. Credibility of Client | <p>The applicant's personal credibility is assessed on the following parameters:</p> <ol style="list-style-type: none"> Listing on the national credit bureau Prior liquidations Tax status Absence of ongoing legal challenges No prior legal challenges |
| 3. Minimum Debt Service Cover | <ol style="list-style-type: none"> Clients need to maintain a debt service cover ratio of 2.5 times. The annual production finance cannot exceed 40% of the estimated total value of the crop The crop estimate is independently assessed by the technical team of In2Fruit and Agri Farming Services (AFS) |
| 4. Marketing Agreement | <ol style="list-style-type: none"> The marketing and export of the applicant's crop needs to be channeled through In2Fruit platform. In2fruit assesses the grape varieties to ensure that there's a market for them and the prices they're likely going to fetch will cover the loan repayments. |
| 5. Farm Management Agreement | <p>In the event that the technical due diligence outcome recommends better management on the applicant's farm, then the applicant is required to sign a farm management agreement with AFS.</p> |
| 6. Pricing | <p>All clients are given a credit rating. The pricing of the facility is in line with the credit rating obtained by the client. AFF's target cost of loan is to achieve blended cost of capital to AFF plus 3%. Deviations from this target rate will be negotiated with the Borrower based on the sustainability of the purpose of funding.</p> |
| 7. Collection | <p>The applicant needs to consent to In2Fruit settling AFF loan and its associated debt service charges as the first call on the proceeds of the applicant's revenue.</p> |
| 8. Concentration Risk | <p>A single obligor limit of 10% of committed funds will be applied to all transactions. Although most of the farms are in the Eastern Cape and Western Cape, the geographical risk will be managed through spreading the risk to different regions. The risk will also be spread across citrus and table grape farms initially and then other products in future to limit single product exposure.</p> |

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| <p>9. Collateral Management</p> | <p>The bulk of the collateral will be in the form of crop insurance which will be directly managed by the In2Fruit management team and will thus be internally managed. Importantly, the quantum of the annual production funding will be limited to a maximum of 40% of the estimated value of the annual crop. Other assets such as immovable property will be transferred to a security SPV and restrictions will be placed on additional cessions. Independent valuations of the assets will be done annually to ensure that there's still adequate security cover.</p> <p>An important component of collateral management is the Borrower's commitment to negative pledge requirement in terms of which the Borrower may not incur any additional debt or grant security interests in its assets without the prior written consent of the Loan Grantor. The Grantor requires a minimum of 15 working days to consider such a request and provide its written decision in good time.</p> <p>It may be necessary to set up a new bank account for the inflow and outflow of funding to ensure the funds are applied to the purposes for which the Borrower has been granted.</p> |
| <p>10. Non Performing Loans</p> | <p>Due to In2Fruit's involvement in the day-to-day management, any material risks that could lead to non-performance will be identified early and managed. In addition to technical management, In2Fruit will be involved in the financial management and will ensure that key risks are identified early. Insurance will be taken against force majeure risks. In the event of foreclosures outside of In2Fruit's control, the loans will be handed over to lawyers to enforce security.</p> |

4. Loan Book Monitoring and Debt Collection Process

For farms that are managed by AFS, monitoring occurs on a daily basis and any potential problems are addressed quickly. For other farms monitoring of all accounts is carried out monthly in terms of financial and operational indicators of progress and compliance. At the end of the season, the committee reviews the full set of prior season's clients' records.

An assessment of the age analysis of the loan book is not done in a traditional sense as the payment terms are such that clients are expected to settle the loan in one bullet payment at the end of the season. The marketing company deducts the outstanding loan amount and interest from the revenues due to the farmer and transfers the money to AFF. As a result the farmers have never missed a payment.

Approved by:

Board of Directors

Agri Finance Facility (Pty) Ltd

Date of Approval: 24 October 2025

Next Review Date: September 2026