

CONFIDENTIAL:

AGRI SA & NEDBANK



collaborate on Innovative Solar Energy Solutions

Agri SA and Nedbank are collaborating to bring innovative energy and financing solutions to Agri SA's members. The product offering will be developed through a pilot phase, after which it can be rolled out on a larger scale. The initiative will help farmers to invest in renewable (solar) energy solutions that are backed by performance guarantees and the most reputable suppliers in the industry.

KEY BENEFITS TO FARMERS (INDICATIVE TERMS)

"Off-balance sheet" finance through a lease agreement: The aim is to provide limited recourse funding for these projects, i.e. financiers take security over the asset (solar installation) and the lease agreement. Ownership passes to the farmer at the end of the lease period, similar to vehicle finance.

Financing through this structure does not require you to move your transactional banking to Nedbank, it is not tied to other Nedbank products.

Deposit: Farmers will make a deposit at a very competitive %. There is potential to secure development finance as part of the project: the exact deposit will depend on the specific project and the broader financing arrangements that are secured for the pilot phase.

Interest rate: The interest rate will be competitive. It will not be a one size fits all as each farmer will have a different credit rating.

Term of finance: potentially 7-10 years, dependent on the farmer and the potential for development finance.

Farmers get additional benefits, for example, quality assurance and performance guarantees that we will put in place to ensure that he/she is purchasing a quality long term asset.

THE WAY FORWARD

The initial step is to identify interested farmers in each province.

We need our Provincial affiliates to help identify potential farmers that will be interested, based on the following:

- *Farmers with a relatively high energy demand*
- *Credit ability*

