



AGRARIUS SUSTAINABILITY ENGINEERED RF LIMITED

Incorporated in the Republic of South Africa

("Agrarius" or the "Company")

SHARI'AH ADVISORY COMMITTEE – TERMS OF REFERENCE

1. INTRODUCTION

- 1.1. Agrarius is a special purpose investment vehicle established and administered by 27four Investment Managers (Pty) Ltd ("**27four**"), in terms of a formal administration agreement, pursuant to 27four's FSCA approved mandate in terms of which all its funds are managed.
- 1.2. Agrarius' main business is that of issuing listed Shari'ah-compliant debt securities to investors, the proceeds of which will be used to invest in sustainable and green projects in the agriculture value chain sector in accordance with Agrarius' formal sustainability framework.
- 1.3. The investments will be effected by Agrarius Agri Value Chain RF Proprietary Limited ("**Agrarius OpCo**"), in accordance with a formal master investment agreement entered into between Agrarius and Agrarius OpCo.
- 1.4. The 27four Shari'ah Advisory Committee ("**SAC**") acts as the Shari'ah Advisory Committee of Agrarius.
- 1.5. The SAC plays critical role in ensuring sound, prudent and comprehensive compliance with Shari'ah rules and principles at all times and in all aspects of the business and activities of Agrarius and Agrarius OpCo.
- 1.6. It is the responsibility of the SAC to ensure that all the activities of Agrarius and Agrarius OpCo are carried out according to the established principles and tenets of Shari'ah and to rectify any activity of Agrarius and Agrarius OpCo which is not in compliance.

2. PURPOSE

The document constitutes the formal terms of reference of the SAC, detailing inter alia, the composition requirements, meetings and the duties and responsibilities of the SAC.

3. APPOINTMENT AND COMPOSITION OF THE SAC

- 3.1. The SAC's appointment is done by 27four, the administrator of Agrarius.
- 3.2. The SAC must be of a size that reflects the business needs of Agrarius and Agrarius OpCo and enables a conducive environment for sound deliberation of Shari'ah matters. The Agrarius Board may change the number of members to be appointed to the SAC, within its discretion.
- 3.3. The SAC's members shall be subject to the following prerequisites:
 - 3.3.1. must be a follower of the Muslim faith;
 - 3.3.2. must be independent;
 - 3.3.3. must be of sound mind;
 - 3.3.4. must not have been convicted of any offence punishable per Shari'ah;
 - 3.3.5. must observe high standards of integrity and character in the society and must refrain from such behaviour that may deter the integrity and character of that person; and
 - 3.3.6. must have pursued higher studies in Shari'ah Law, Islamic Jurisprudence (Principles of Islamic Jurisprudence and Islamic Commercial Law) and/or Islamic Finance.
- 3.4. Each SAC member must be assessed against the above minimum requirements at least annually, and as and when the Agrarius Board becomes aware of information that may materially compromise the SAC member's fitness, or any circumstances that suggest that the SAC member is ineffective, errant or otherwise unsuited to carry out his/her responsibilities the Agrarius Board may, in consultation with the remaining SAC members, remove such SAC member.
- 3.5. A SAC member must immediately disclose to the Agrarius Board any circumstance that may affect his/her ability to meet the minimum requirements.

4. MEETINGS

4.1. Meetings of the SAC:

- 4.1.1. The SAC shall convene for a formal meeting at least two (2) times per year to review the activities of Agrarius. Minutes of these meetings will be circulated to Agrarius.
- 4.1.2. In addition to the formal meetings, the SAC shall convene on an *ad hoc* basis, the frequency of which will be determined by the transactions of Agrarius and Agrarius OpCo.
- 4.1.3. Members of the Agrarius Board, or senior employees of Agrarius, as determined by the Agrarius Board, may attend the SAC meetings as invitees. Their attendance at the SAC meetings will facilitate and assist the SAC members when deliberating issues relating to Agrarius' and Agrarius OpCo's business strategies.

4.2. Meetings of Agrarius and Agrarius OpCo Boards and Board sub-committees:

- 4.2.1. The Chairman of the SAC will attend the Board and shareholder meetings of Agrarius and Agrarius OpCo as a permanent invitee.
- 4.2.2. Furthermore, two (2) SAC representatives are also invited as permanent invitees to the meetings of (1) the Agrarius' Audit and Risk Committee and (2) the Agrarius Social, Ethics and Sustainability Committee. Their attendance at the Board and Board sub-committee meetings is in order to facilitate and assist the Board and Board sub-committee members when deliberating issues relating to Shari'ah matters.

5. ROLES AND RESPONSIBILITIES OF THE SAC

- 5.1. The SAC has the responsibility to provide objective and sound advice to Agrarius and Agrarius OpCo to ensure that their aims and operations, business, affairs and activities are in compliance with Shari'ah and it is their responsibility to form an independent opinion on the conduct and businesses of Agrarius and Agrarius OpCo without undue influence from any party.
- 5.2. In general, the SAC's key roles and responsibilities include but not limited to the following:
 - 5.2.1. to advise the boards of directors and management on Shari'ah related matters in order for them to comply with Shari'ah rules and principles at all time;
 - 5.2.2. to perform an oversight role on Shari'ah matters related to Agrarius and Agrarius OpCo's business operations and activities;
 - 5.2.3. oversee compliance with any Shari'ah regulatory requirements;
 - 5.2.4. to endorse Shari'ah related policies and guidelines;
 - 5.2.5. validating the terms and conditions contained in forms, contracts, agreements or legal documents used in executing transactions;
 - 5.2.6. performing an annual Shari'ah audit which forms part of the SAC duties in providing assessment of Shari'ah compliance and assurance information in the annual financial statements. In this regard the SAC shall work in conjunction with the Agrarius Audit and Risk Committee;
 - 5.2.7. to confirm the status of potential Shari'ah non-compliance event(s) and to endorse a rectification measure to address a Shari'ah non-compliance event; and
 - 5.2.8. to advise related parties such as related and/or inter related companies, clients, legal counsels, auditors or consultants on Shari'ah matters for advice upon request;

6. REMUNERATION OF THE SAC

The SAC will be remunerated in terms of its agreement with 27four. Agrarius OpCo will pay an additional advisory fee to each member of the SAC, which fee will be determined by the Agrarius Board.

7. ADHERENCE TO THE AGRARIUS POLICIES

Each of the SAC members will at all times adhere to the governance policies of Agrarius, including:

- the Agrarius Conflict of Interest Policy; and
- the Agrarius directors' code of ethics and conduct policy.

8. NON-EXCLUSIVITY

The appointment of the SAC shall not be exclusive and the SAC shall therefore be entitled to also render its Shari'ah advisory services to businesses and/or companies other than Agrarius, provided that the provision of such services does not impede and/or detract from the SAC's ability to fulfil its duties and responsibilities to the Company.

9. CONFIDENTIALITY

- 9.1. The SAC acknowledges that it has and will have access to certain confidential information of Agrarius and its related and/or inter related entities pursuant to its appointment as the

Company's SAC. For this purpose "**Confidential Information**" shall have the following meaning:

"Confidential Information" – any of the Company's, or any related and/or inter-related entities' confidential information including but not limited to artistic works, designs, drawings, sketches, software, plans, technical know-how and data, methods, client or customer list, marketing, trading and merchandising methods, financial information, any program developed by or for the Company, patents, trademarks, copyrights, business strategies, the contractual arrangements between the Company and its creditors and third parties, financial details of the Company, and the Company's relationship with third parties.

- 9.2. The SAC further acknowledges that during its tenure as SAC of the Company, or after termination for any reason whatsoever, the SAC will not divulge to any person or persons or use for its own benefit or that of any other person, firm or company, any Confidential Information whatsoever, to which the SAC may have access or which may have come into the SAC's possession or of which the SAC was aware or became aware while in the service of the Company.
- 9.3. Any data, reports, publications, manuals, policies, accounting records, agreements, user lists, price lists, correspondence, notes, copies and extracts relating to the business of the Company, whether in hard or electronic form which come into the SAC's possession during its service tenure with the Company shall remain the sole property of the Company.

10. AMENDMENT TO THE SAC TERMS OF REFERENCE

The Agrarius Board may, in consultation with the SAC, amend the terms of reference of the SAC as detailed herein.