



30 August 2023

Dear Sirs

neXgro's NATIONAL COMMERCIAL FARM SILO NETWORK – NO SCREENING DEDUCTIONS

The neXgro Group of Companies, is a well-known, innovative AgTech group, with more than 38 years of experience in grain trading, storage and related management services.

One of our business objectives is to enable producers to take their rightful place in the grain and oilseed production value eco system, by providing unique, data driven and technology savvy solutions to an industry that is as old as civilization itself but that needs to stay relevant and commercially viable in a fast paced and evolving world.

As part of the approach of empowering the farmer, neXgro established a trusted national commercial farm silo network, which operates and fully competes alongside all other commercial silo's countrywide, delivering high standard grain management and storage solutions.

APPROVED AND ACCREDITED BY FINANCIAL INSTITUTIONS

neXgro Grain Management (a specialist division of the neXgro Group) partners with producers to commercialize their farm silo's by providing a service consisting of farm silo management and accreditation with or without independent accredited collateral management.

The neXgro Grain Management accreditation system incorporates the appointment of an independent collateral manager, which unlocks the possibility of grain financing through neXgro and their financial institution partner. Our farm silo network has already been approved and accepted by our financial institution partner as approved storage sites for financed grain commodities.

QUALIFICATION CRITERIA

Farm silo's that have been accredited by the neXgro Grain Management farm silo management network, acclaim the following accreditation criteria:

- A successful assessment of the silo storage facility and recommendations on renovations, maintenance and security to ensure that the facility is fit for purpose and complies with industry standards;
- Assessment of compliance to HACCP standards;
- Grain traded from a network silo is grade and quantity verified, with each verification valid for a period of 7 (seven) days;
- Assessment and verification of loading capacity;

neXgro ® (A registered trademark of neXgro Holdings (Pty) Ltd)

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www.nexgro.co.za (For a full overview of our POPIA policy, list of Group companies and respective directors)



- A grain inventory and management system that facilitates stock and stock folio management, including training for system users;
- Monthly onsite inspections assessing the overall condition of the facility, including water, drainage and hygiene;
- Stock grading and confirmations;
- Testing and calibration of weighbridges;
- Compilation of a health and safety file and training of personnel on health and safety as well as food quality management;
- Advice on the correct method of fumigation;
- Silo accreditation certificates are issued on an annual basis, whereafter the silo is re-evaluated for continued compliance;
- Each storage facility is independently assessed and accredited, providing assurance as to its condition, practices, and operational effectiveness.

COMMERCIAL FARM SILO NETWORK

The neXgro Grain Management farm silo network currently consists of 25 accredited silo's and the silo network is rapidly and vastly expanding. This is attributable to the strategic value proposition to not only the producer, but also other industry stakeholders and partners.

The operation of these accredited farm storage facilities is done in accordance with high industry standards and competes highly with other traditional commercial silos in South Africa.

The industry practice relating to no-screening deduction, as applied to grain stored at commercial silo's, has become the norm due to the trusted grain management practices applied by these commercial silos. This practice is equally applicable to all the neXgro farm silo network accredited storage sites, given the grain management practices applied at these sites. Our clients nationally have become accustomed to and satisfied with the standards applied, and the application of the no-screening deduction has been accepted in respect of the neXgro accredited farm storage sites.

FURTHER INFORMATION

We trust that the information provided satisfies your requirements, but should you feel the need to contact us please do not hesitate to reach out to with Henk van de Westhuizen on 084 951 1881 or electronically at henk.vdwesthuizen@nexgro.co.za.

Yours faithfully

A handwritten signature in black ink, appearing to read 'W. Bouwer', is positioned above a horizontal line.

neXgro GRAIN MANAGEMENT

PER/: WIMPIE BOUWER

HEAD: GRAIN MANAGEMENT AND STORAGE