Confidential

The Land and Agricultural Development Bank of South Africa
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Registered credit provider: Reg. Number NCRCP18

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Dear Lenders

This letter is in response to the queries received from investors and provides the requested clarifications. Please note that all numbers included in these responses are unaudited.

Request for update on the Board appointment vetting process

In September 2025, Land Bank announced that the Board appointments remain subject to security, qualification, and other requisite checks. Mr Godongwana subsequently confirmed that the vetting process on the newly appointed Board members had commenced. We request an update on the following:

1. Scope and rigour - Details of the scope of the vetting process and procedures undertaken to ensure a comprehensive due diligence including but not limited to background, qualification, reference, criminal, credit and conflicts checks.

    a. *The Land Bank (LB) conducts a structured, multi-layered vetting process for all ministerial appointees once the appointee's profile and CV have been received. The scope and rigour of the process is as follows:*
        i. ***Source of profiles:*** *The Minister appoints directors; LB receives the appointee profiles/CVs directly from the appointees (National Treasury does not supply the CVs to LB).*
        ii. ***Primary check (MIE check):*** *On receipt of the CV/profile LB initiates an MIE check that includes criminal record checks, qualification verification, credit profile/history and a physical home address verification.*
        iii. ***Supplementary checks:*** *Following completion of the MIE check LB also conducts anti-money-laundering (AML) screening and a State Security Agency (SSA) vetting process (as a secondary layer of due diligence) on all directors and compare it against the Fit and Proper declarations received from the newly appointed directors.*
        iv. ***References and conflicts:*** *Reference checks are not performed by Land Bank, however Land Bank checks for potential conflicts of interest against LB records and public registries.*

Directors: Directors: Mr M Skwatsha (Chairperson), Ms KV Rantao (Deputy Chair), Ms S Dlungwane, Ms S Ford, Prof J Kirsten, Mr B Maseko, Ms PH Maseko, Ms TF Matlala, Mr MA Moloto, Ms E Pillay, Ms KH Mukhari (Chief Financial Officer), Mr J Mphambo (Acting Chief Executive Officer)

Ms R Swanepoel (Acting Company Secretary)

   v. ***Documentation and recordkeeping:*** *All checks and outcomes are documented, stored securely and a summary of material outcomes is included in the vetting memorandum to National Treasury.*

b. *As indicated in 1(a)(v) above, relevant vetting outputs and material adverse findings are shared with National Treasury (NT) in accordance with governance and disclosure protocols.*

c. *Remedial procedures: Any potentially disqualifying or adverse information is escalated to the Land Bank Board Chair and addressed in writing with NT. These matters are then addressed as outlined in paragraph 2(c) below.*

2. Status and outcomes - Whether the vetting process has been completed; and if completed, whether all appointees satisfied the requirements or, if any deficiencies were identified, what remedial measures are being implemented;

   a. *LB commences vetting on receipt of each appointee's documents, such as ID, Proof of Address, Qualifications and signed MIE form. The status of vetting for individual appointees is not yet completed for all directors as some of them have international qualifications which takes longer.*
   b. *Where vetting has been completed, LB confirms whether the appointee satisfied the Fit and Proper requirements for directors. If no material adverse findings are identified, LB will confirm that the appointee meets the required checks (criminal, qualifications, credit, AML and SASS) and submit as such to NT.*
   c. *If any deficiencies or adverse findings are identified, LB implements remedial measures which may include requesting further information from the appointee; verifying discrepancies with issuing institutions; requiring the appointee to provide explanations or additional documentation; and escalating material concerns to the Chair and NT for consideration in terms of their appointment powers. LB will document and track all remedial actions until closure.*
   d. *A summary of vetting outcomes (including any remedial actions taken) will be provided to the Board/Chair and to NT in line with established protocols.*

3. If not completed, the anticipated completion date and reasons for the delay, highlighting that good governance practice usually requires that these checks are done prior to appointments being made.

   a. *Anticipated completion date is February 2026. The rest of the vetting process is reliant on availability of third parties. Where vetting is not yet complete, the anticipated completion date for each outstanding vetting file is based on the date the CV/profile was received and the expected* *turnaround times from external verification providers. From experience, on average it can take up to 6 months to complete a member's verification from receipt of their CV / profile.*

b. *Various reasons can cause delays such as late submission of supporting documents by the appointee, longer turnaround times from qualification or criminal record verification bodies, and extended credit-check processes where further validations are required. LB proactively follows up on outstanding items to minimise delays.*

Request for enhanced ongoing disclosure

Pursuant to Condition 13.4.17 of the Placing Document dated 16 September 2024 underpinning the debt restructure, Liability Solution creditors may reasonably request any other material information regarding Land Bank's business. Accordingly, we request the additional disclosures to be circulated to all Lenders as outlined in the table below.

disclosure	Details of disclosure required
4. To be provided whenever there is a Board appointment.	• Provide comprehensive profiles of each Board appointee, including professional qualifications, relevant experience, age, and concurrent directorships. *See attached profiles of directors as it is in the Corporate Plan* • Provide a Board skills matrix reflecting the collective competencies present on the Board (including but not limited to: banking and finance, agricultural industry expertise, legal, risk management, governance, strategy) and identify any skills gaps relative to Land Bank's strategic requirements. *The full updated Board skills matrix will only be available at the end of February 2026. The Nominations committee are yet to finalise an updated matrix, after the recent two appointments in November 2025. This will be provided then.*
5. To be provided as soon as possible, on a once-off basis and confirmed/updated at least annually.	• Provide the lending authority matrix/framework, including: o approval limits for disbursement decisions at different levels; *The approval matrix is appended as Annexure A* o quorum requirements of the credit committee.

The quorum requirement for all Board and Committee meetings is two-thirds (2/3), which equates to 65%.

o members of the credit committee.

Prof Johann Kirsten, Ms Egashnee Pillay and Mr AM Moloto

o approval procedures for exceptions.

Any exceptions must be recommended by the relevant Board Committee for approval

o the date of the last Board approval of the matrix/framework.

The approval matrix is appended as Annexure A

• Disclose the procedure around Board induction and training, and whether this was completed for the new Board appointees.

All directors appointed on 3 September 2025 have attended induction training on 19-20 September 2025. Induction is being planned for the two new directors appointed 12 November 2025 and is expected to take place in the new year i.e. 2026.

• Disclose remuneration of the Board appointees, year-on-year adjustments and the rationale for adjustments.

The remuneration of directors is determined by the Minister at the Annual General Meeting. Any annual adjustments are normally based on CPI. The annual remuneration for the Board is included in the Bank's Integrated Annual Report (IAR).

6. To be provided in the quarterly abridged credit packs supplied to Liability Solution creditors.

• On credit approval exceptions, disclose the number and quantum of credit approvals that exceeded delegated authority limits or deviated from the lending authority matrix/framework, including the rationale for each approval, the approval process followed, and identification of which authority level granted the approval.

The credit approval exceptions are appended as annexure B

• Disclose all transactions with domestic politically exposed persons, foreign politically exposed persons, and prominent

	influential persons, as defined in the Financial Intelligence Centre Act, 2001 (Act No. 38 of 2001). Disclosure must include the nature of the transaction, quantum, commercial rationale, approval process and disclosure of any recusals due to conflicts of interest. *The politically exposed persons and related parties list is appended as annexure C. In total only 5.2% of the gross loan book at 30 November were to politically exposed people.* • Disclose all related party transactions as defined in International Accounting Standard 24. Disclosure must include the nature of the transaction, quantum, commercial rationale, approval process and disclosure of any recusals due to conflicts of interest. *The politically exposed persons and related parties list is appended as annexure C.*
7. To be included in the Integrated Annual Report going forward	• Enhanced Board meeting transparency: o Scheduled frequency of Board and Board committee meetings; *This is already reflected in the IAR. Board meetings are scheduled three years in advance. The number of meetings attended per Director is disclosed in the IAR. Statutorily, a minimum of four meetings per year (quarterly) is required, but T can be more depending on operational need.* *At Land Bank, we therefore have at least four ordinary Board meetings annually, in addition to an AGM and two Strategy Sessions. Any further special meetings are held based on operational requirements at a given time*. o Number of meetings held by the Board and per committee, with individual Director attendance records at each meeting; *This information already forms part of the IAR as a statutory reporting requirement.* o Quorum requirements and confirmation of compliance at each meeting; *The quorum requirement for all Board and Committee meetings is two-thirds (2/3), which equates to 65%. Compliance with quorum requirements is confirmed at every meeting.* o Disclosure of any cancelled or postponed meetings, with reasons;

Quarterly Board and Committee meetings are not cancelled as a practice. They are normally postponed to another date within the same quarter. If for any reason a Board or Committee meeting must be cancelled the reasons will be communicated. To note that we had only one quarterly set Board meeting cancelled since 2020, but all matters were addressed via either Round Robin or deferred to the next quarterly meeting.

o Disclosure of decisions taken outside formal Board meetings (e.g. via round robin resolution), including the nature of such decisions and the rationale for these decisions being made outside of formal meetings.

As a general practice, Land Bank does not allow Round Robin (RR) resolutions for Board and Committee matters, except in limited instances — for example, where a policy has already been reviewed by the Board but requires minor amendments before approval, or where a transaction cannot wait for the next scheduled CIC or Board meeting due to operational impact. Board deliberations are confidential, and therefore the detailed content of RR resolutions will not necessarily be disclosed in the IAR, especially where such disclosure could compromise client confidentiality and other business sensitive information.

Khensani Mukhari

Chief Financial Officer
Date:

Annexure A Lending Authority Matrix

Committee	**Provincial Credit Committee (PCC)**	**Regional Credit Committee (RCC)**	**Executive Credit Committee (ECC)**	**Credit & Investment Committee (CIC)**	**The Board**
1. Approval limits for disbursement decisions	maximum of R10 million	greater than R10 million up to R20 million	**New Credit applications** : Greater than R20 million up to a total aggregate of R30 Million **Existing Clients:** Greater than R20 million up to a total aggregate of R250 million	**Pre-dating 1 October 2022:** Facilities in excess of R250 million, but equal to or less than R1billion; **Post 1 October 2022:** Approve new loans, credit facilities and credit limits or credit risk exposures that are more than R30 million, but equal to or less than R50 million;	**Pre-dating 1 October 2022:** Facilities in excess of R1 Billion **Post 1 October 2022:** Approve new loans, credit facilities and credit limits or credit risk exposures that are more than R50 million
2. Quorum requirements	Seventy percent (70%) of the voting members (or alternate voting members) present.			The quorum shall be a majority of the members of the Committee.	The quorum shall be two thirds of board members
3. Members of the Credit Committee	**Commercial Banking & Transformation (CB&T) transactions:** i. Credit Manager: C&BT (Chairperson) ii. Manager: Agricultural Banking & Monitoring Support (Deputy Chairperson) iii. Legal Advisor: Client Agreements and Advisory iv. Provincial Head: Commercial Banking & Transformation (Provincial) **(CB&SI) transactions:** i. Credit Manager : (CB&SI) (Chairperson) ii. Manager: Agricultural Banking & Monitoring Support (Deputy Chairperson) iii. Relationship Manager (CB&SI) iv. Senior Legal Advisor: Client Agreements and Advisory **Collection, Workout & Restructuring (CW&R) transactions:** i. Credit Manager : CW&R (Chairperson) ii. Manager: Agricultural Banking & Monitoring Support (Deputy Chairperson) iii. Regional Manager (CW&R) iv. Senior Legal Advisor: Client Agreements and Advisory/CW&R	**Commercial Banking & Transformation (CB&T) transactions:** i. Regional Head: Credit Risk: Commercial Banking & Transformation (Chairperson) ii. Head: Agricultural Banking & Monitoring Support (Deputy Chairperson) iii. Senior Legal Advisor: Client Agreement and Advisory iv. Regional Head: Commercial Banking & Transformation **(CB&SI) transactions:** i. Regional Head: Credit Risk: Corporate Credit (Chairperson) ii. Head: Agricultural Banking & Monitoring Support (Deputy Chairperson) iii. Head: Legal Client Agreement & Advisory iv. Head: Corporate Banking & Structured Investments **Collection, Workout & Restructuring (CW&R) transactions:** i. Head: Credit Risk Workout & Restructuring (Chairperson) ii. Head: Agricultural Advisory & Research (Deputy Chairperson) iii. Head: Legal Client Agreement & Advisory iv. Head: Workout & Restructuring	i. Chief Executive Officer ii. Chief Risk Officer (Chairperson) iii. Chief Financial Officer (2nd Deputy Chair) iv. Chief Banking Officer v. Chief Agricultural Economics Officer (1st Deputy Chair) vi. Chief Strategy Officer vii. Executive Manager: Legal Services viii. Executive Manager: Collections Management , Workouts and Restructuring	The Committee shall consist of a minimum of three (3), but not more than six (6) independent non-executive directors, appointed by the Board; The Chairperson of the Committee is appointed by the Board. The Chairperson of the Board shall not be the Chairperson of the Committee. Members of the Committee shall, as a collective, have skills and experience in banking, investment and financial management.	The Board must consist of no fewer than eight (8) and no more than twelve (12) persons Majority of Board members must be independent non-executive directors The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are members of the Board by virtue of their office and serve as executive directors
4. the date of the last Board approval of the matrix/framework	Approved by Exco – 1 September 2025	Approved by Exco – 1 September 2025	Approved by Exco - 4 August 2025	Approved by the Board – 14 May 2024	Approved by the Board – 29 April 2019

Annexure B Credit Approval Exceptions

Reason for Approval	Approval Exception	Rational for Approval	Approval Process followed	Authority Level
Annual review and RLF increase from R8m to R10m. TFL R58,240,274.	Concentration breach	The facilities exceeded the single obligor limit of R73m	Applications submitted to ECC who recommend to CIC & Board for approval	Board
Annual review-TFL R1,857,214,000	Concentration breach	The facilities exceeded the single obligor limit of R73m	Applications submitted to ECC who recommend to CIC & Board for approval	Board
New facility R119,785,200	Concentration breach	The facilities exceeded the single obligor limit of R73m	Applications submitted to ECC who recommend to CIC & Board for approval	Board
TFL R190,000,000	Concentration breach	The facilities exceeded the single obligor limit of R73m	Applications submitted to ECC who recommend to CIC & Board for approval	Board

Annexure C Politically Exposed Persons and Related Parties

List of Identified PEPs as at October 2025			
Transaction	**Nature of the transaction**	**Quantum**	**Approval**
1	Retail Mortgage Loan	R257 615.75	SEC/BOARD
2	Short term loan	R18 084 549.64	SEC/BOARD
3	Retail Mortgage Loan	R17 340 335.00	SEC/BOARD
	Retail Mortgage Loan	R109 844 588.10	
	Retail Establishment	R9 536 109.01	
	Retail Production Cr	R29 324 747.18	
	Retail Production Cr	R1 836 908.97	
4	Retail Instalment Sales	R3 574 349.40	SEC/BOARD
	Retail Instalment Sales	R5 466 242.52	
5	Long Term Loan	R2 813 946.26	
	Long Term Loan	R1 225 937.02	SEC/BOARD
	Long Term Loan	R12 514 773.91	
	Long Term Loan	R14 813 405.84	
	Long Term Loan	R25 829 238.82	
	Long Term Loan	R12 802 492.40	
	Long Term Loan	R37 611 757.05	
6	Long Term Loan	R10 639 376.97	SEC/BOARD
	Long Term Loan	R10 639 416.30	
7	Long Term Loan	R10 639 376.97	SEC/BOARD
	Long Term Loan	R10 639 416.30	
8	Retail Mortgage Loan	R2 558 199.10	SEC/BOARD
9	Long Term Loan	R5 808 100.35	SEC/BOARD

Transaction	Nature of the transaction	Quantum	Approval
10	Long Term Loan	R82 490 635.77	SEC/BOARD
11	CFU Fixed trm	R73 154 887.77	SEC/BOARD
	BFS General	R30 473 752.39	
	BFS General	R23 493 709.32	
12	CFU Fixed trm	R12 001 578.06	SEC/BOARD
	BFS General	R3 380 638.92	
13	Long Term Loan	R132 064 423.92	SEC/BOARD
14	Retail Mortgage Loan	R1 044 541.42	SEC/BOARD
	BFS Instalment Sale Finance	R686 861.76	
	BFS Instalment Sale Finance	R198 722.47	
15	Retail Long Term Loan (BFS R Mortgage	R21 604 950.54	SEC/BOARD
16	Retail Long Term Loan (BFS R Mortgage	R6 603 115.29	SEC/BOARD
17	Special Mortgage Loan	R430 363.40	SEC/BOARD
	Mortgage Loan	R4 671 626.82	
18	Retail Mortgage Loan	R3 164 816.14	SEC/BOARD
19	BFS R Mortgage	R19 537 329.86	SEC/BOARD
	BFS R Intermedi	R1 176 031.02	
	BFS R Productio	R1 230 362.71	

	Total	**R771 209 230.44**	
	Percentage of total loan book	**5.2%**	