

03 April 2020

Addendum to the Fund Management Agreement

Dear shareholders

With the amalgamation in May 2018 between Overberg Agri and Acorn Agri, Acorn Private Equity (“APEQ”) was appointed to render management services to the Acorn Agri & Food Group (“AAF”) and in return for these management services, AAF paid a management fee of 1% per annum of the value of AAF as determined by an independent expert.

Since the completion of the merger, extensive consultation between the management team of AAF and the board of directors has resulted in an improved management agreement encapsulated in a third addendum to the Management Agreement.

Third addendum to the Fund Management Agreement

In a continued quest for better alignment between the Fund Manager, shareholders, other stakeholders and AAF, the board of AAF approved a third addendum to the Fund Management Agreement (FMA) that:

- Decreases the management fee payable to APEQ. Each year, the chief executive officer (CEO) of AAF and the chief investment officer (CIO) of APEQ will agree on key performance indicators for the financial year in question;
- Includes a cancellation clause;
- Better aligns the remuneration structures within AAF and shareholder expectations;
- Includes a better alignment between the fund management fee and the valuation of AAF;
- Creates a more effective and focused management structure that will allow the management team to focus on their core skills (operations and investments); and
- Increases the operational capacity by appointing an additional senior executive within AAF.

Management structure:

- The current CEO, André Uys, and chief financial officer (CFO), Louw Coetzer, of AAF are, with effect from 1 March 2020, no longer employed by APEQ but are full time employees of AAF. Louw Coetzer will assume the new role of chief operating officer (COO) and a new CFO will be appointed shortly.
- The executive management team now includes:
 - CEO: André Uys
 - COO: Louw Coetzer
 - CFO: New appointment
 - CIO: Carl Neethling
 - Executive Director: Pierre Malan

Once again, I would like to thank you for your loyal support of Acorn Agri & Food. Please don't hesitate to contact us should you have any queries.

Kind Regards
André Uys
 Chief Executive Officer
 Acorn Agri & Food

Geagte aandeelhouders

Acorn Private Equity (“APEQ”) is aangestel om, met die samesmelting in Mei 2018 tussen Overberg Agri en Acorn Agri, bestuursdienste aan die Acorn Agri & Food Group (“AAF”) te lewer in ruil vir 'n bestuursfooi van 1% per jaar van die waarde van AAF, soos bepaal deur 'n onafhanklike kundige.

Sedert die afhandeling van die samesmelting, het uitgebreide konsultasie tussen die bestuurspan van AAF en die direksie gelei tot 'n verbeterde bestuurs-ooreenkoms, wat in 'n derde addendum tot die bestuursooreenkoms, vervat is.

Derde addendum tot die Fondsbestuursooreenkoms

In 'n voortdurende strewe na beter belyning tussen die Fondsbestuurder, aandeelhouders, ander belanghebbendes en AAF, het die direksie van AAF 'n verdere addendum tot die Fondsbestuursooreenkoms goedgekeur, wat die volgende bevat:

- 'n Verlaagde bestuursfooi betaalbaar aan APEQ. Daar sal jaarliks tussen die hoof uitvoerende beampte van AAF en die hoofbeleggingsbeampte van APEQ ooreengekom word op sleutel prestasie-aanwysers vir die betrokke finansiële jaar;
- 'n Kansellasië klousule;
- 'n Beter belyning tussen vergoedingstrukture binne AAF en aandeelhoudersverwagtinge;
- 'n Beter belyning tussen die fondsbestuursfooi en waardasie van AAF;
- 'n Meer effektiewe en gefokusde bestuurstruktuur wat die bestuurspan in staat sal stel om op hul kernvaardighede (operasioneel en beleggings) te fokus; en
- Die verhoging van operasionele kapasiteit deur 'n addisionele senior uitvoerende beampte in AAF aan te stel.

Bestuurstruktuur:

- Die huidige hoof uitvoerende beampte (André Uys) en hoof finansiële beampte (Louw Coetzer) van AAF is vanaf 1 Maart 2020 nie meer in diens van APEQ nie, maar voltydse werknemers van AAF. Louw Coetzer sal voortaan die nuwe rol as hoof bedryfsbeampte vervul en 'n nuwe hoof finansiële beampte sal eersdaags aangestel word.
- Die uitvoerende bestuurspan bestaan uit:
 - Hoof uitvoerende beampte: André Uys
 - Hoof bedryfsbeampte: Louw Coetzer
 - Hoof finansiële beampte: Nuwe aanstelling
 - Hoofbeleggingsbeampte: Carl Neethling
 - Uitvoerende direkteur: Pierre Malan

Ek wil u hartlik bedank vir u lojale ondersteuning van Acorn Agri & Food en nooi u uit om ons te kontak indien u enige vrae het.

Vriendelike Groete
André Uys
 Hoof Uitvoerende Beampte
 Acorn Agri & Food