

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the action you should take in relation to this circular, please consult your Central Securities Depository Participant ("CSDP"), stockbroker, banker, accountant, attorney or other professional advisor immediately.

**Action required**

1. If you have disposed of all your ordinary shares in Santova Logistics Limited ("Santova Logistics"), this circular and all annexures hereto, together with the attached Form of Proxy, should be handed to the purchaser of such ordinary shares or to the stockbroker, CSDP, banker or other agent through whom the disposal was effected.
2. Ordinary shareholders holding certificated shares and shareholders holding dematerialised shares, registered in their own name, who are unable to attend the general meeting to be held at 10:00 on Thursday, 6 October 2011 at Santova House, 88 Mahatma Gandhi Road, Durban, should complete the attached Form of Proxy in accordance with the instructions contained therein and lodge it with the transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) so as to be received by not later than 10:00 on Tuesday, 4 October 2011.
3. Shareholders holding dematerialised shares, other than shareholders with dematerialised shares registered in their own name, who wish to attend the general meeting or to vote by way of proxy, must contact their CSDP or stockbroker who will furnish them with the requisite authority to attend the general meeting or to be represented thereat by proxy. This must be done in terms of the custody agreement between the member and his CSDP or stockbroker.



**Santova**  
Logistics Ltd

**SANTOVA LOGISTICS LIMITED**

Incorporated in the Republic of South Africa  
(Registration number 1998/018118/06)

Share code on JSE: SNV ISIN: ZAE000159711  
("Santova Logistics" or "the Company")

**CIRCULAR TO SHAREHOLDERS OF SANTOVA LOGISTICS**

Regarding

- **the proposed specific buy-back of shares from a related party, Mr M F Impson;**
- **an odd lot and specific offer to minority shareholders;**
- **the restructuring of Santova Logistics' authorised and issued share capital by consolidating its authorised and issued share capital on the basis of 10 to 1 by the consolidation of every 10 shares with a par value of 0.1 cent each into 1 share with a par value of 1.0 cent each;**
- **a conversion of par value shares to shares of no par value;**
- **an increase in authorised share capital;**
- **the change of name of the company to Santova Limited; and**
- **a general approval of inter-company loans and financial assistance.**

and incorporating

- a notice convening a general meeting of Santova Logistics' shareholders;
- a Form of Proxy (*white*) – for use by certificated shareholders and dematerialised shareholders with own name registration only;
- an Odd Lot Offer Form (*blue*);
- a Specific Offer Acceptance Form (*green*); and
- a Form of Surrender to be used by certificated shareholders only (*pink*).

**Corporate and Designated Advisor**



**Reporting Accountants**



**Independent Expert**



Date: 7 September 2011

This circular is available in English only. Copies may be obtained from the registered office of Santova Logistics, and from the transfer secretaries, whose addresses are set out in the "Corporate Information" section of this document.

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## **CORPORATE INFORMATION**

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### **REGISTERED ADDRESS**

Santova House  
88 Mahatma Gandhi Road  
Durban  
4001  
(PO Box 6148, Durban, 4000)

### **CORPORATE AND DESIGNATED ADVISOR**

River Group  
Block B, First Floor  
225 Veale Street  
Brooklyn  
0181  
(PO Box 2579, Brooklyn Square, 0075)

### **TRANSFER SECRETARIES**

Computershare Investor Services (Pty) Ltd  
70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown, 2107)

### **COMPANY SECRETARY**

J A Lupton, FCIS  
Highway Corporate Services (Pty) Ltd  
14 Hillcrest Office Park  
2 Old Main Road  
Hillcrest  
3610  
(PO Box 1319, Hillcrest, 3650)

### **INDEPENDENT EXPERT**

SAB&T Chartered Accountants Incorporated  
119 Witch-Hazel Avenue  
Highveld Technopark  
Centurion  
0014  
(PO Box 10512, Centurion, 0046)

### **REPORTING ACCOUNTANTS**

SAB&T Chartered Accountants Incorporated  
119 Witch-Hazel Avenue  
Highveld Technopark  
Centurion  
0014  
(PO Box 10512, Centurion, 0046)

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<b>Specific Offer Acceptance Form (<i>green</i>)</b>	Attached
<b>Form of Surrender (<i>pink</i>)</b>	Attached

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## INTERPRETATION AND DEFINITIONS

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In this circular and the annexures hereto, unless inconsistent with the context:

- the singular includes the plural and *vice versa*;
- the masculine gender includes the other genders;
- a reference to a person includes a body corporate or unincorporated and *vice versa*; and
- the words in the first column shall have the meanings assigned to them in the second column.

“the Act”	the Companies Act, No 71 of 2008, as amended;
“the Agreement”	Put Option Agreement dated 25 August 2011 entered into between M F Impson and Santova Logistics Limited where Santova Logistics Limited has agreed to grant to M F Impson an irrevocable put option to sell the option shares to Santova Logistics Limited;
“Board of Directors” or “directors” or “Board”	the Board of Directors of Santova Logistics;
“business day”	any day other than Saturday, Sunday or an official public holiday in South Africa;
“the CIPC”	the Companies and Intellectual Property Commission
“circular”	this circular dated Thursday, 7 September 2011, including the annexures and attachments thereto, as well as the notice of general meeting;
“Computershare”	Computershare Investor Services (Pty) Limited (Registration number: 2004/003647/07), a private company incorporated in South Africa;
“CSDP”	Central securities depository participant registered in terms of the Securities Services Act, 2004 (Act 36 of 2004), as amended;
“dematerialised”	the process whereby paper share certificates are replaced with electronic records of ownership of shares or securities held with a CSDP or stockbroker as contemplated in section 91A of the Act under the Strate system;
“dematerialised shares”	shares which have been dematerialised and incorporated into the Strate system and which are no longer evidenced by share certificates or other physical documents of title;
“general meeting”	the special general meeting of shareholders of Santova Logistics to be held in the boardroom, Santova House, 88 Mahatma Gandhi Road, Durban on Thursday, 6 October 2011 at 10:00, or any adjournment thereof;
“the Group” or “the Santova Group”	the Company and its subsidiaries;
“JSE” or “the JSE”	JSE Limited (registration number: 2005/022939/06), a public company incorporated in South Africa being registered as an exchange;
“Listings Requirements”	the listings requirements of the JSE as amended from time to time;
“last practicable date”	7 September 2011, being the last practicable date prior to the finalisation of this circular;
“Maitland Management Limited”	a major shareholder of Santova Logistics Limited registered in Cyprus;
“own-name dematerialised”	shareholders that have dematerialised their shares through their CSDP and have instructed their CSDP to register their shares in their own name on the sub-register (the list of shareholders maintained by the CSDP and forming part of Santova Logistics’ share register);

“option shares”	36 427 776 ordinary shares of 0.1 cent each in the capital of Santova Logistics held by the Seller;
“registered shareholder”	a shareholder of shares registered as such in the share register of Santova Logistics;
“Santova Logistics” or “the Company”	Santova Logistics Limited (registration number: 1998/018118/06), a public company incorporated in accordance with the laws of South Africa;
“the Seller”	Malcolm Frederick Impson or, if applicable, his heirs and/or assigns;
“SENS”	the Securities Exchange News Service of the JSE;
“shares”	the ordinary shares of 0.1 cent each in the share capital of Santova Logistics;
“shareholders”	the registered holders of ordinary shares in Santova Logistics;
“South Africa”	the Republic of South Africa;
“specific buy-back”	the specific buy-back of 36 427 776 shares at 10 cents per share from Malcolm Frederick Impson for cash as contemplated in this circular;
“Specific offer shareholders”	shareholders holding more than 3 300 but less than 10 000 ordinary shares each;
“Strate”	Strate Limited (Registration number: 1998/022242/06), a registered central securities depository in terms of the Custody and Administration of Securities Act, 1992 (Act 85 of 1992), as amended;
“SIX SIS”	an off-shore company registered in Switzerland;
“Strate system”	Strate, a clearing and settlement system generated by the JSE for share transactions to be settled and transfer of ownership to be recorded electronically;
“a subsidiary”	a subsidiary company as defined by the Act; and
“Transfer Secretaries”	the Transfer Secretaries of Santova Logistics, namely Computershare.

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## IMPORTANT DATES AND TIMES

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The dates and times below relate to the specific buy-back, and odd lot and specific offer to shareholders. Please refer to note 7 below for information regarding the dates and times relating to the share consolidation, increase in authorised share capital, conversion from par value to no par value shares and change of name of the Company.

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2011

<b>Declaration date</b>	<b>Wednesday, 7 September</b>
Last day to trade in order to be eligible to vote at the general meeting	Friday, 23 September
Record date in order to be eligible to vote at the general meeting	Friday, 30 September
<b>Last day for receipt of Forms of Proxy for the general meeting and Forms of Surrender by the Transfer Secretaries, by 10:00</b>	<b>Tuesday, 4 October</b>
<b>General meeting to be held in the Harbour View boardroom, Santova House, 88 Mahatma Gandhi Road, Durban at 10:00</b>	<b>Thursday, 6 October</b>
<b>Results of general meeting announced on SENS</b>	<b>Thursday, 6 October</b>
<b>Finalisation date</b>	<b>Friday, 7 October</b>
Publication of finalisation information on SENS	
<b>Last day to trade for shareholders to be eligible to participate in the odd lot and specific offer</b>	<b>Friday, 14 October</b>
<b>Shares trade “ex” the odd lot and specific offer</b>	<b>Monday, 17 October</b>
<b>Record date – odd lot and specific offer closes</b>	<b>Friday, 21 October</b>
<b>Pay date</b>	<b>Monday, 24 October</b>
Odd lot and specific offer – payment of cash. Accounts at CSDP or Stockbroker credited and updated.	

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### Notes:

1. The above dates and South African times are subject to change. Any changes will be released on SENS.
2. The general meeting will be held to consider and, if deemed fit, to pass, with or without modification, the resolutions necessary to approve and implement the specific buy-back of the specified number of shares, the odd lot and specific offers to minority shareholders, the share consolidation, the conversion to no par value shares, the increase in authorised share capital, the name change and general authorisation to give inter-company loans and financial assistance.
3. Shareholders registered as such, who hold their shares in certificated form (in other words who have not dematerialised their shares) or hold dematerialised shares in their own name, who are unable to attend the general meeting but wish to be represented thereat, must complete and return the attached Form of Proxy (*white*) in accordance with the instructions contained therein to the Transfer Secretaries, to be received by no later than 10:00 on Tuesday, 4 October 2011.
4. **Beneficial owners who have dematerialised their shares through a CSDP or stockbroker, other than those in own name, must provide the CSDP or stockbroker with their voting instruction in the manner and time stipulated in the custody agreement governing the relationship between the beneficial owner and their CSDP or stockbroker. Alternatively, they must request the CSDP or stockbroker to provide them with a letter of representation should they wish to attend the meeting in person in terms of the custody agreement entered into between the beneficial owner and the CSDP or stockbroker.**
5. Certificated shareholders who did not qualify for the odd lot or specific offer should note that they will not receive new share certificates in the new name in consolidated form until the odd lot offer and specific repurchase has been completed.
6. Share certificates may not be dematerialised or rematerialised between Monday, 17 October 2011 and Friday, 21 October 2011, both days inclusive.
7. **Shareholders are advised that the important dates and times relating to the share consolidation, increase in authorised share capital, conversion from par value to no par value shares and change of name of the Company will only be available once the CIPC has registered the relevant resolutions and to this end the relevant dates and times will be published on SENS as soon as the relevant confirmations have been obtained from the CIPC.**

## **SANTOVA LOGISTICS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1998/018118/06)

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### **Directors**

E S C Garner\* (*Chairman*)  
G H Gerber (*Chief Executive Officer*)  
S J Chisholm (*Group Financial Director*)  
A D Dixon\*  
S Donner (*Non-executive*)  
M F Impson (retired 31 August 2011)  
G M Knight  
W A Lombard\*  
A L van Zyl

\* Independent non-executive

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## **CIRCULAR TO SHAREHOLDERS**

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### **1. INTRODUCTION**

Santova Logistics is a company listed on the AltX, a separate Board on the JSE, with offices throughout South Africa and offices in Hong Kong, Australia, the United Kingdom and the Netherlands, as well as strategic partners throughout the world. With more than 80 years' extensive experience in the logistics domain, Santova Logistics provides supply chain optimisation solutions to their international and domestic clients through industry-leading strategic logistics management practices and resources.

The purpose of this circular and the accompanying notice of general meeting of shareholders, Form of Proxy, Odd Lot Offer Form, Specific Offer Acceptance Form and Form of Surrender is to inform shareholders and enable them to decide on the course of action they wish to take regarding:

- the proposed specific buy-back of shares from a related party, Mr M F Impson;
- an odd lot and specific offer to minority shareholders;
- the restructuring of Santova Logistics' authorised and issued share capital by consolidating its authorised and issued share capital on the basis of 10 to 1 by the consolidation of every 10 shares with a par value of 0.1 cent each into 1 share with a par value of 1.0 cent each;
- the conversion of the share capital of the Company from ordinary par value shares to ordinary shares of no par value and increasing of the authorised share capital;
- changing the name of the Company to Santova Limited;
- the authorisation of inter-company loans and financial assistance; and
- a general meeting of shareholders to be convened in order to obtain shareholder approval for the relevant resolutions required for the above.

### **2. SPECIFIC BUY-BACK**

#### **2.1 Introduction**

With effect from 1 March 2006, Santova Logistics acquired the total issued share capital of and all claims on shareholder loan accounts against the then Impson Freight (Pty) Ltd ("Impson"), which owned and operated a comprehensive customs clearing and forwarding logistics business with offices in Durban, Cape Town, Johannesburg and Pietermaritzburg.



Following the restructuring of Santova Logistics, as detailed in the annual report dated 31 December 2003, Santova Logistics has refocused its business and has publicly stated its intention to transform into a comprehensive international supply chain logistics service provider utilising intelligent “end-to-end” logistics solutions, and in addition offer a wider range of services through its subsidiaries. The acquisition of Impson ensured that Santova Logistics attained critical mass to enable it to benefit from economies of scale.

The founder, Mr Malcolm Frederick Impson, a director and major shareholder of Impson at the time of acquisition, continued in his role as a director after the acquisition and was also appointed to the Santova Logistics board. Mr M F Impson will retire this year as announced on SENS on 26 August 2011.

The Board of Santova Logistics has resolved, subject to, *inter alia*, obtaining the requisite approval from shareholders at the general meeting to be convened, which is the subject of this circular, to grant Mr Malcolm Frederick Impson (“the Seller”) an irrevocable put option to sell the option shares to Santova Logistics on the terms set out below.

In terms of the Listings Requirements, approval has been granted by the JSE for the circular to be posted to shareholders. The repurchase will be executed in terms of the agreement and the JSE Listings Requirements, as and when the option is exercised by Mr M F Impson.

## **2.2 Terms and rationale**

The Santova Logistics’ Board has agreed to grant the Seller, subject to shareholder and JSE approval, an irrevocable put option to sell 36 427 776 ordinary shares of 0.1 cent each in Santova Logistics at a purchase price of 10 cents per share, due to the fact that the Seller has been instrumental in the good performance of the Company, his retirement and to ensure that the Seller may sell his shares in large volumes in an orderly manner without having undue influence on the share price of the Company.

Santova’s existing cash resources will be utilised to satisfy any cash requirements arising out of the specific buy-back. The shares repurchased will be cancelled and not held in treasury.

## **2.3 Extracts of agreement**

Set out below are extracts of the main features of the contract as a summary:

### *“2. Introduction*

- 2.1 The Purchaser (Santova Logistics Limited, or its nominee) has agreed to grant to the Seller an irrevocable put option to sell the option shares to the Purchaser subject to the terms and conditions set out in this agreement.*

### *3. Conditions*

- 3.1 This entire agreement, save for the provisions of clauses 3 and 11, is subject to the fulfilment of the following conditions precedent, namely:*
  - 3.1.1 the Board of Directors of the Purchaser approving the purchase of the option shares in terms of this agreement;*
  - 3.1.2 the shareholders of the Purchaser approving the purchase of the option shares in terms of this agreement at a general meeting of the Purchaser;*
  - 3.1.3 the requisite JSE, Companies Act and shareholder requirements for the acquisition in terms of this agreement being complied with prior to or at the general meeting; and*
  - 3.1.4 the requisite documentation for the purchase of the option shares in terms of this agreement being approved by the JSE.*
- 3.2 If the conditions referred to in 3.1 are not fulfilled within 90 (ninety) days of the signature date being 25 August 2011, the provision of this agreement, save for the provisions of clauses 3 and 11, shall be of no force or effect and no party shall have any claim against the other pursuant to such non-fulfilment save in circumstances where that party has frustrated the fulfilment thereof.*
- 3.3 The Purchaser shall take all such steps within its power and sign all such documents as are necessary to procure the timeous fulfilment of the conditions.*

**Note: The conditions precedent as per 3.1.1, 3.1.3 and 3.1.4 above have been met.**

#### 4. Put Option

- 4.1 *Subject to the provisions of clause 3, the Purchaser grants to the Seller irrevocable put options to sell to the Purchaser the option shares for a purchase price of 10 cents per share.*
- 4.2 *Each put option may only be exercised in multiples of not less than 1 000 000 (one million) option shares.*
- 4.3 *If the Seller wishes to exercise a put option he must deliver a written notice to the Purchaser indicating the number of option shares that he wishes to sell.*
- 4.4 *For every complete month (after approval by shareholders) that the share price of the Purchaser on the JSE is 12 cents or higher, the option shares shall be reduced by 20%.*
- 4.5 *In the event that the Seller sells any shares in the Purchaser to any other party besides the Purchaser, on or before 1 August 2013, the option shares shall be reduced by the equivalent number of sold shares.*
- 4.6 *If a put option is exercised, the purchase price for the option shares purchased shall be payable by the Purchaser in cash, free of bank or any other charges, within 65 days of the date of exercise of the put option.*
- 4.7 *As soon as payment has been made in respect of any option shares purchased, the Seller must procure that his Central Securities Depository Participant is instructed to immediately transfer such option shares to the Purchaser and he must furnish the Purchaser with written proof thereof.*
- 4.8 *The Purchaser shall pay the securities transfer tax payable on the transfer of the shares and any other costs of transfer.*

#### 5. Lapsing of the put options

*The put options in terms of this agreement will lapse if:*

- 5.1 *the Seller fails to exercise the put options in respect of all of the option shares prior to 1 August 2013; or*
- 5.2 *the option shares are reduced to 0 (zero) in terms of 4.4 and 4.5."*

### **2.4 Financial effects of the specific buy-back**

Please refer to paragraph 8.4 for details of the financial effects of the specific buy-back on the Santova Group.

### **2.5 Opinion and recommendation**

The Directors of Santova Logistics, after having taken independent advice, as required by the JSE Listings Regulations for a specific buy-back of shares from a related party at a premium to the ruling price and for the grant of an option to a related party, from a JSE independent expert, SAB&T Chartered Accountants Incorporated, are of the opinion that the terms of the specific buy-back are fair to the shareholders. They accordingly recommend that shareholders vote in favour of the special resolution proposed to implement the specific buy-back and have indicated that they intend voting in favour thereof. This specific buy-back is from a related party and is subject to the inclusion of a fairness opinion by the independent expert whose opinion is set out in Annexure A of this circular.

To this end, shareholders are requested to consider and, if deemed appropriate, pass special resolution number 1 in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

## **3. ODD LOT AND SPECIFIC OFFER TO MINORITY SHAREHOLDERS**

### **3.1 Introduction and rationale for the odd lot offer and specific offer**

The Company is aware that shareholders holding less than 3 301 shares, pre-consolidation ("odd lot"), may not be able to sell their shares at a profit due to the high cost of trading such shares at the current prevailing price (refer to Annexure D to this document for the depiction of the break-even analysis) and furthermore the Company would like to reduce its administrative costs resulting from the large number of odd lot shareholders (approximately R75 000 per annum). To this

end the Company has decided to make an offer to all shareholders holding less than 3 301 ordinary shares, pre-consolidation ("odd lot offer") and make an offer to shareholders holding less than 10 000 shares, pre-consolidation ("specific offer") to voluntarily sell their shares back to the company at 10 cents per share as detailed below.

Currently (as at 24 June 2011), approximately 111 ordinary shareholders, being approximately 13.29% of the total number of ordinary shareholders, hold less than 3 301 ordinary shares each. These odd lot shareholders hold approximately 163 091 ordinary shares in aggregate, which constitutes only 0.01% of the total number of ordinary shares in issue. In order to reduce the substantial and ongoing costs of administration connected with a large number of odd lot shareholders and to provide these shareholders with an inexpensive method of realising their investment in Santova Logistics, the directors proposed the implementation of an odd lot offer to all shareholders holding less than 3 301 shares, giving shareholders the opportunity:

- to sell their shareholdings at 10 cents per share, being the offer price per share; or
- to keep their shareholdings.

***Those odd lot offer shareholders who do not make a choice to keep their shareholding by completing the relevant block in attached blue form of election and surrender and submitting it to Computershare before 10:00 on Tuesday, 4 October 2011 will automatically be regarded as having accepted the cash offer of 10 cents per share.***

Currently (as at 24 June 2011), approximately 78 ordinary shareholders, being approximately 9.34% of the total number of ordinary shareholders, hold more than 3 300 but less than 10 000 ordinary shares each ("the specific offer shareholders"). These specific offer shareholders hold approximately 432 872 ordinary shares in aggregate, which constitutes only 0.03% of the total number of ordinary shares in issue. In order to reduce the substantial and ongoing costs of administration connected with a large number of specific offer shareholders and to provide them with an inexpensive method of realising their investment in Santova Logistics, an offer in terms of which all shareholders who hold a total of less than 10 000 but more than 3 300 ordinary shares each are offered the opportunity:

- to sell their shareholdings at 10 cents per share, being the offer price per share; or
- to keep their shareholdings.

***Those specific offer shareholders who do NOT make a choice by completing the attached green form of election and surrender and submitting it to Computershare before 10:00 on Friday, 21 October 2011 will automatically be regarded as not having accepted the cash offer of 10 cents per share.***

### **3.2 Resolutions authorising the odd lot and specific offer**

Shareholders are requested to resolve that the directors be and are authorised to undertake an offer to odd lot shareholders, being shareholders holding less than 3 301 shares, at a date to be determined by the directors and shareholders are also requested that the directors be and are authorised to make a specific offer to those ordinary shareholders who hold an aggregate of more than 3 300 but less than 10 000 ordinary shares in the Company on a date to be determined by the directors and set out in this circular, of 10 cents per share. These shareholders will be given an election either:

- (a) to retain their shareholding; or
- (b) to sell their shareholding to the Company.

Any odd lot offer shareholder who does not make an election in terms of the offer will be treated as if such shareholder elected to sell his shareholding. Those shareholders who elect to sell their shareholdings will receive the offer price of 10 cents per share.

Any specific offer shareholder who does NOT make an election in terms of the offer will be treated as if such shareholder elected to not sell his shareholdings. Those shareholders who elect to sell their shareholding will receive the offer price of 10 cents per share.

To this end, shareholders are requested to consider and, if deemed appropriate, pass ordinary resolution number 1 and special resolution number 2 in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

### **3.3 The odd lot and specific offer**

#### ***3.3.1 Record date***

The record date is the close of business on Friday, 21 October 2011. If a shareholder holds less than 3 301 shares on the record date he is entitled to take part in the odd lot offer and if a shareholders holds more than 3 300 but less than 10 000 ordinary shares on the record date, he is entitled to take part in the specific offer. Shareholders will not be advised individually as to whether they are entitled to take part in the specific offer and accordingly each shareholder must determine this for himself. No further documentation will be sent to shareholders in this regard.

### **3.3.2 Last day to trade**

Shareholders are advised that the last date to trade in order to take part in the odd lot and specific offer will be Friday, 14 October 2011. If any specific offer shareholder acquires additional ordinary shares by close of business on Friday 14 October 2011 and the odd lot or specific offer shareholder's ordinary shareholding at the close of business on Friday, 14 October 2011 amounts to or exceeds 3 300 and 10 000 shares respectively as a result of such acquisition, then the odd lot or specific offer shareholder will not be allowed to participate in the respective offer.

### **3.3.3 Odd lot and specific offer price**

The odd lot and specific offer price of 10 cents per share was determined by the directors as the fair price of the shares at 31 July 2011 and to this end the directors have obtained a fairness opinion as set out in Annexure A to this circular. The offer price was released on SENS on Thursday, 7 September 2011.

## **3.4 Transaction costs**

Odd lot and specific offer shareholders will not have to bear any transaction costs.

The transaction costs (and not the offer price itself) of odd lot and specific offer shareholders who sell their shareholdings to Santova Logistics (being stamp duty or uncertificated securities tax) will be borne by Santova Logistics.

Santova Logistics, by proposing these offers, is therefore making it possible for its odd lot and specific offer shareholders who wish to dispose of their shareholding to do so in a cost-effective manner.

## **3.5 Compulsory sale of odd lot and voluntary sale of specific offer holdings.**

Santova Logistics will repurchase the odd lot and specific offer holdings of all odd lot and any specific offer shareholders who make a choice. Any repurchase by Santova Logistics will be treated as an acquisition of shares and a specific repurchase of securities respectively, in terms of the Listings Requirements.

Those odd lot offer shareholders who do not make a choice by completing the attached blue form of election and surrender but do not tick the appropriate block and submitting it to Computershare before 10:00 on Friday, 21 October 2011 will automatically be regarded as having chosen to accept the offer.

Those specific offer shareholders who do not make a choice by completing the attached green form of election and surrender and submitting it to Computershare before 10:00 on Friday, 21 October 2011 will automatically be regarded as not having chosen to accept the offer.

## **3.6 Mechanism**

The offer will close on Friday, 14 October 2011. The shares of all shareholders who hold a total of less than 3 301 ordinary shares, before the consolidation, at the close of business on Friday, 14 October 2011, and who have not elected to hold onto their shares will be expropriated and all shareholders holding more than 3 300 but less than 10 000 shares will be invited to take part in the specific offer. The procedure on how such shareholders must make their choice (election and surrender procedure) is set out in paragraph 3.7 below.

The ordinary shares of those specific offer shareholders who do make a choice by completing the green form of acceptance attached to this circular will be repurchased by Santova Logistics at 10 cents per share. Any such repurchase will be regarded as an acquisition of shares in terms of the Act and as a specific repurchase of securities in terms of the Listings Requirements. Shareholders are requested to grant authority for this potential repurchase, at the offer price per share, at the general meeting of Santova to be held on Thursday, 6 October 2011.

Odd lot shareholders are requested to complete and submit the blue form attached to this circular and should note that their ordinary shares will automatically be repurchased by Santova Logistics and cancelled without any further action on their part and without any further notice to them if they do not tick the relevant box on the blue form of election and surrender. Article 34A of the Articles of Association of the Company gives Santova Logistics the right to cause any odd lot holding of odd lot shareholders to be sold in such manner as the directors may direct and to pay the funds into shareholders' accounts as directed.

### 3.7 Election and surrender procedure

All shareholders who hold, in total, less than either 3 301 or 10 000 Santova Logistics ordinary shares at the close of business on Friday, 21 October 2011, may elect to either:

- sell their shareholding to Santova Logistics at 10 cents per share (by completing the green form); or
- keep their shareholding (no action required) for specific offer shareholders, odd lot offer shareholders need to complete the *BLUE* form and tick the box to indicate that they do NOT want to sell their shares.

#### **The choice made by a shareholder is final and may not be withdrawn once made.**

Certificated odd lot and specific offer shareholders must complete the attached blue Odd Lot Offer Form or green Specific Offer Acceptance Form respectively and return it to Computershare by 10:00 on Friday, 21 October 2011.

Dematerialised specific offer holders should instruct their CSDP or stockbroker as to what action they wish to take in the time and manner stipulated in the agreement entered into between such shareholders and their CSDP or stockbroker. Odd lot and specific offer shareholders who have dematerialised their ordinary shares must **NOT** return the blue or green form of election and surrender to Computershare.

Odd lot offer shareholders who wish to keep their shares need to tick the appropriate box on the attached Odd Lot Offer Form (*blue*) otherwise they will automatically be deemed to have accepted the offer to sell.

Specific offer shareholders who wish to keep their shares do not need to take any action. They will automatically be deemed not to have accepted the offer to sell.

Nominee companies will be treated as a single shareholder, but should a nominee company choose to dispose of its specific offer shareholding on behalf of principals whose shareholdings constitute odd lot or specific offer shareholdings, it may do so by applying before 10:00 on Friday, 21 October 2011, in writing (blue or green form attached to this circular, respectively) to Computershare, giving details of the number of ordinary shares involved.

Those materialised shareholders who choose the cash alternative, may complete the banking information section of the blue (odd lot offer acceptance) or green (specific offer acceptance) form so as to enable payment to be made directly into their bank account. All Odd Lot Offer Forms or Specific Offer Acceptance Forms received by Computershare by 10:00 on Friday, 21 October 2011, will be processed and payment will be made by electronic fund transfers into the shareholders' bank account on or about Monday, 24 October 2011, if the shareholders have provided the banking details on such form.

Alternatively, if the shareholder has not provided the banking details on such Odd Lot Offer Forms or Specific Offer Acceptance Forms, cheques will be posted on or about Monday, 24 October 2011, by ordinary post, to the respective shareholders at the risk of such shareholders. All claims received thereafter will be processed and payments will be made by electronic fund transfers into the shareholders' bank accounts within five business days of receipt of the claims and where there are no bank account details provided, payment will be by cheque which will be posted to the shareholders at the risk of such shareholders.

In respect of dematerialised shareholders, their accounts held at their CSDP or stockbroker will be credited with the cash amount, as the case may be, on or about Monday, 24 October 2011.

### 3.8 Effect on ordinary share capital

The maximum number of ordinary shares which, potentially, could be repurchased by Santova Logistics if all odd lot and specific offer shareholders sell their shareholdings to Santova Logistics, should not exceed 595 963 ordinary shares.

As the current issued ordinary share capital of Santova Logistics as at 31 July 2011, prior to the implementation of this odd lot offer and specific offer comprises 1 401 127 003 ordinary shares of 0.1 cent each, any repurchase of odd lot holdings pursuant to the odd lot offer or specific offer will have no material effect on Santova Logistics' issued ordinary share capital. All shares bought back by Santova Logistics will be cancelled.

### 3.9 Financial effects

Please refer to paragraph 8.4 of this circular for the financial effects of the odd lot offer and specific offer if implemented in full, on the earnings per share, net asset value per share or tangible net asset value per share of the group.



### **3.10 Source of funds**

Santova Logistics' existing cash resources will be utilised to satisfy any cash requirements arising out of the offer.

### **3.11 Directors' opinion**

Having considered the possible effects of the odd lot offer and specific offer and any repurchase of ordinary shares in terms of the offers, the directors are of the opinion that, for a period of 12 months following the date of this offer document:

- 3.11.1** Santova Logistics and the Santova Group will be able to repay their debts in the ordinary course of business;
- 3.11.2** the assets of Santova Logistics and the Santova Group will exceed their liabilities, whether fairly valued according to International Financial Reporting Standards or on a basis consistent with the last annual financial statements of Santova Logistics;
- 3.11.3** the ordinary share capital and reserves of Santova Logistics and the Santova Group will be sufficient to meet their needs; and
- 3.11.4** Santova Logistics and the Santova Group will have sufficient working capital for ordinary business purposes.

### **3.12 Non-resident shareholders**

The making of the offer in, or to shareholders resident in, jurisdictions outside South Africa, or to persons who are, or are nominees of or trustees for, citizens, residents or nationals of other countries, may be affected by the laws of the relevant country in which they reside. Such persons must acquaint themselves with and observe any applicable legal requirements. It is the responsibility of any such person wishing to accept the offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including obtaining any governmental or other consents which may be required or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any such shareholder will be responsible for any such issue, transfer or other taxes outside South Africa by whomsoever payable.

### **3.13 Exchange Control Regulations**

The following is a summary of the South African Exchange Control Regulations. If in doubt, shareholders should consult their professional advisers without delay.

#### ***3.13.1 Emigrants from the common monetary area***

A "non-resident" endorsement will be stamped on every new share certificate or share statement issued to a shareholder who is an emigrant from the common monetary area. The cash arising from the sale of odd lot holdings or specific offer acceptance will be forwarded to the authorised dealer in foreign exchange in South Africa controlling the shareholder's blocked assets.

The attached blue and green forms of election and surrender make provision for details of the authorised dealer concerned to be given.

If the information regarding the authorised dealer is not given, the certificates or share statements and any cash will be held by the Company for the shareholders concerned pending receipt of the necessary information or instructions. No interest will be paid on any cash so held.

#### ***3.13.2 All other non-residents of the common monetary area***

A "non-resident" endorsement will be stamped on every new share certificate or share statement issued to a shareholder whose registered address is outside the common monetary area. The new share certificate or share statement and, where applicable, a cheque in respect of cash arising from the sale of odd lot holdings or specific offer acceptance will be forwarded to the shareholder's authorised dealer in foreign exchange. Where the shareholder does not have an authorised dealer in South Africa, the share certificate or statement and, where applicable, a cheque will be posted, at the risk of such shareholder, to the address of such shareholder in the share register on the record date.

The attached blue and green forms of election and surrender make provision for details of the authorised dealer concerned to be given.

All CSDP's and stockbrokers with whom shares have been dematerialised should note that they are required to comply with the South African Exchange Control Regulations set out above.

## 4. SHARE CONSOLIDATION

As at the last practicable date (31 July 2011), Santova Logistics had an authorised ordinary share capital of 2 000 000 000 ordinary shares of 0.1 cent each, of which 1 401 127 003 shares were in issue.

### 4.1 The consolidation

#### 4.1.1 Details of the consolidation and rationale

- 4.1.1.1 Santova Logistics proposes to consolidate the Company's authorised and issued share capital on the basis of a 10 to 1 consolidation, by the consolidation of every 10 shares with a par value of 0.1 cent each into 1 share with a par value of 1.0 cent each to give the Company a more meaningful share price denomination.
- 4.1.1.2 Subject to the approval and implementation of the consolidation by the shareholders:
- the record date for purposes of determining those shareholders whose shares will be subject to the consolidation and change of name (refer to paragraph 6 of this circular) will be determined and published on SENS as soon as the Company is informed by the CIPC that the relevant special resolution/s have been registered;
  - the last day to trade in Santova Logistics' shares on the JSE in order to be recorded as a shareholder will be determined and published on SENS as soon as the Company is informed by the CIPC that the relevant special resolution/s have been registered; and
  - the date the consolidation of shares will be effective will be published on SENS as soon as the Company is informed by the CIPC that the relevant special resolution/s have been registered;

#### 4.1.2 Implementation of consolidation

- 4.1.2.1 Subject to the passing of the special resolutions necessary for the consolidation and name change (refer to paragraph 6 of this circular), it will be necessary to recall share certificates from certificated shareholders in order to replace them with certificates reflecting the consolidation and change of name.
- 4.1.2.2 To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who anticipate the implementation of the consolidation and who do not wish to deal in their existing shares prior to the consolidation are requested to surrender their share certificates to the Transfer Secretaries by completing the attached Form of Surrender (*pink*) in accordance with the instructions it contains and return it to the Transfer Secretaries.
- 4.1.2.3 Share certificates so received will be held in trust by the Transfer Secretaries pending the consolidation being approved by shareholders at the general meeting. In the event that the consolidation is not approved, the Transfer Secretaries will, within five business days thereafter, return the certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.
- 4.1.2.4 The results of the general meeting will be announced on SENS on or about Thursday, 6 October 2011. Should the consolidation be approved and implemented, shareholders who have not already surrendered their share certificates will be required to do so under cover of the attached Form of Surrender (*pink*).
- 4.1.2.5 Fractions of consolidated shares will not be issued and paid out to shareholders and any fraction of less than 0.5 will be rounded down and any fraction of 0.5 and greater will be rounded up to the nearest whole number. An example of this is depicted below.

Shares held before consolidation	Consolidated shares to be received by Shareholder
11 000	1 100
11 100	1 110
11 440	1 144
11 500	1 150
11 540	1 154
11 545	1 155
11 550	1 155
11 554	1 155
11 555	1 156

- 4.1.2.6 Certificated shareholders whose registered addresses in the Company's share register are outside the common monetary area, or where the relevant certificates are restrictively endorsed, are referred to paragraph 8.2.

To this end, shareholders are requested to consider and, if deemed appropriate, pass special resolution number 3 in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

## **5. CONVERSION OF SHARES FROM PAR VALUE TO NO PAR VALUE SHARES AND INCREASE IN AUTHORISED SHARE CAPITAL**

### **5.1 Introduction**

Par value shares have been abolished by the Companies Act, No 71 of 2008, as amended ("the Act"). S6(2) of Schedule 5 of the Act, which deals with the transitional arrangements, provides that pre-existing companies with par value shares may retain those par value shares. However, S31 of the Companies Regulations, 2011 gives a pre-existing company the option to convert its par value shares to shares of no par value. The Company wishes to avail itself of this option and to convert its par value shares to shares of no par value.

The report of the Directors of Santova Logistics setting out the matters required by Regulation 31.7 of the Companies Regulations 2011 is incorporated into this circular as Annexure E.

The conversion of the shares from par value to no par value shares will not have any effect on the value of the shares and the current rights attaching to the par value shares of Santova Logistics. The conversion of the par value shares into no par value shares is permitted in terms of Article 33.4 of the Company's Articles of Association (Memorandum of Incorporation), which article also requires a special resolution to be passed in this regard.

To this end, shareholders are requested to consider and, if deemed appropriate, pass special resolution number 4 in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

### **5.2 Proposed special resolution – increase in authorised share capital**

Following the consolidation of shares referred to in paragraph 4 above and to ensure that the Company has sufficient share capital for future needs in term of possible acquisitions, shareholders will be requested to consider and, if deemed appropriate, pass special resolution number 5, to increase the authorised share capital from 200 000 000 no par value ordinary shares to 300 000 000 no par value ordinary shares, in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

## **6. NAME CHANGE**

### **6.1 Introduction**

The Directors have resolved to request shareholders to approve a change in name of the Company to Santova Limited. The Company is the holding company of a number of subsidiary companies whose names bear the name "Santova". The name change is intended to better reflect the nature of the business of the Company as that of a holding company, rather than a company engaged in the business of logistics, and to release the name "Santova Logistics" for use by subsidiary companies that are engaged in the logistics business.

To this end, shareholders are requested to consider and, if deemed appropriate, pass special resolution number 6 in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

For a period of not less than one year, Santova Limited will reflect the former name "Santova Logistics Limited" on all documents of title in brackets beneath the new name of "Santova Limited".

### **6.2 Approvals of proposed name**

In terms of the Listings Requirements, approval was granted by the JSE for the change of name and for the abbreviated name "Santova" to be used with the share code "SNV" and the ISIN code will be changed to ZAE000159711.



The name Santova (Pty) Ltd is currently in use by a dormant subsidiary company of Santova Logistics Limited. If the special resolution to change the name is passed by the requisite majority of shareholders at the forthcoming general meeting, a simultaneous transfer of names will be effected between Santova Logistics Limited and Santova (Pty) Ltd, so that the name "Santova Logistics" will be preserved for future use.

### **6.3 Recall of share certificates from certificated shareholders**

Assuming that special resolution number 6 to approve the change of name is approved by the requisite majority of Santova Logistics' shareholders, confirmation of the change of name will be released on SENS on or about Thursday, 6 October 2011.

Subject to the passing of special resolution number 6 for the change of name of the Company and registration thereof by the CIPC, it will be necessary to recall the current share certificates from certificated shareholders in order to replace them with certificates reflecting the new name.

Certificated shareholders are requested to complete the attached Form of Surrender (*pink*) in accordance with the instructions it contains and return it to the Transfer Secretaries.

To facilitate the timeous receipt by certificated shareholders of replacement share certificates, certificated shareholders who anticipate the implementation of the change of name and who do not wish to deal in their existing shares prior to the change of name, are requested to surrender their share certificates to the Transfer Secretaries by completing the attached pink Form of Surrender in accordance with the instructions it contains and return their certificates to the Transfer Secretaries.

Share certificates so received will be held by the Transfer Secretaries pending the change of name being approved by shareholders at the general meeting. In the event that the change of name is not approved, the Transfer Secretaries will, within five business days thereafter, return the certificates to the certificated shareholders concerned, by registered post, at the risk of such shareholders.

Dematerialised shareholders must not do anything as their accounts at their CSDP or stockbroker will be automatically updated.

In the event that certificated shareholders do not complete the attached Form of Surrender but who later wish to obtain a share certificate in the new name of the Company, such shareholders will be required to return their share certificates to the Transfer Secretaries together with certified copies of identity documents, if in own name, or if otherwise, certified copies of company/trust documents.

## **7. INTER-COMPANY LOANS AND FINANCIAL ASSISTANCE**

S45(2) of the Companies Act, No 71 of 2008, as amended, provides that a company may not give loans or provide other financial assistance to "a related or inter-related company", unless it is pursuant to a special resolution of the shareholders adopted within the previous two years approving such loan or financial assistance. To this end special resolution number 7 has been included in the notice of general meeting, which is attached to and forms part of this circular. With a group of companies such as the Santova Logistics Group it is necessary from time to time in the ordinary course of business to efficiently allocate and re-allocate surplus cash among group companies so that they may achieve optimum use of cash and value creation and to provide security for a group company so that it has access to cheaper funds to enable it to operate more efficiently. Any such inter-company loan and /or financial assistance would only be given subject to the following conditions:

- (i) the Board of Directors is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test;
- (ii) the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- (iii) the conditions or restrictions respecting the granting of financial assistance, if any, set out in the Company's Memorandum of Incorporation have been satisfied.

To this end, shareholders are requested to consider and, if deemed appropriate, pass special resolution number 7 in the accompanying notice of general meeting which is included in and forms an integral part of this circular.

## 8. GENERAL

### 8.1 General meeting of shareholders

A general meeting of shareholders of Santova Logistics will be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban at 10:00 on Thursday, 6 October 2011, to consider the special resolutions required to give effect to the proposed corporate actions set out in this circular.

Shareholders who hold their shares in certificated form or who hold dematerialised shares in their own name and who are unable to attend the general meeting are requested to complete the attached Form of Proxy (*white*) and return it in accordance with the instructions and notes contained therein to the Transfer Secretaries to be received, by not later than 10:00 on Tuesday, 4 October 2011.

Shareholders holding dematerialised shares other than in own name who wish to attend the general meeting or to vote by way of proxy must contact their CSDP or stockbroker who will furnish them with the requisite Letter of Representation authority to attend the general meeting or to be represented thereat by proxy. Such authorisation must be obtained in terms of the custody agreement between the member and his CSDP or stockbroker.

### 8.2 Exchange Control Regulations

The following is a summary of the South African Exchange Control Regulations. If in doubt, shareholders should consult their professional advisers without delay.

#### ***Emigrants from the common monetary area***

A "non-resident" endorsement will be stamped on every new share certificate or share statement issued to a shareholder who is an emigrant from the common monetary area. The new share certificate or share statement and, where applicable, a cheque in respect of cash arising from the sale of odd lot holdings, will be forwarded to the authorised dealer in foreign exchange in South Africa controlling the shareholder's blocked assets.

The attached blue and green forms of election and surrender make provision for details of the authorised dealer concerned to be given.

If the information regarding the authorised dealer is not given, the certificates or share statements and any cash will be held by the Company for the odd lot shareholders' concerned pending receipt of the necessary information or instructions. No interest will be paid on any cash so held.

#### ***All other non-residents of the common monetary area***

A "non-resident" endorsement will be stamped on every new share certificate or share statement issued to a shareholder whose registered address is outside the common monetary area. The new share certificate or share statement and, where applicable, a cheque in respect of cash arising from the sale of odd lot holdings will be forwarded to the shareholder's authorised dealer in foreign exchange. Where the shareholder does not have an authorised dealer in South Africa, the share certificate or statement and, where applicable, a cheque will be posted, at the risk of such shareholder, to the address of such shareholder in the share register on the record date.

The attached blue and green forms of election and surrender make provision for details of the authorised dealer concerned to be given.

All CSDPs and stockbrokers with whom shares have been dematerialised should note that they are required to comply with the South African Exchange Control Regulations set out above.

### 8.3 Share capital

**8.3.1** The authorised and issued share capital of Santova Logistics before and after the specific buy-back, odd lot and specific offer, share consolidation, conversion to no par value shares and increase in authorised share capital is as follows:

As at the last practicable date, before the corporate actions mentioned above:

	R
<b>Authorised share capital</b>	
<b>2 000 000 000</b> ordinary shares of 0.1 cent each	
<b>Total authorised share capital</b>	<b>2 000 000</b>
<b>Issued share capital</b>	
<b>1 401 127 003</b> ordinary shares of 0.1 cent each	
<b>Total issued share capital</b>	<b>1 401 127</b>
Share premium	150 552 932
<b>Total share capital and premium</b>	<b>151 954 059</b>

After the corporate actions mentioned above and assuming all shareholders accepted the specific offer:

	R
<b>Authorised share capital</b>	
<b>300 000 000</b> ordinary shares of no par value	
<b>Total issued share capital after the specific buy-back of 36 427 776 ordinary shares:</b>	
<b>1 364 699 227</b> ordinary shares of 0.1 cent each	
Total issued share capital	1 364 699
Share premium	146 946 582
<b>Total share capital and premium</b>	<b>148 311 281</b>
<b>Total issued share capital after the odd lot offer and specific offer of 595 963 ordinary shares:</b>	
<b>1 364 103 264</b> ordinary shares of 0.1 cent each	
Total issued share capital	<b>1 364 103</b>
Share premium	<b>146 887 582</b>
<b>Total share capital and premium</b>	<b>148 251 685</b>
<b>Total issued share capital after the share consolidation and conversion to no par value shares:</b>	
<b>136 410 326</b> ordinary shares of no par value	
<b>Stated Capital</b>	<b>148 251 685</b>

### 8.3.2 Alterations to share capital

Details as to issues and offers of securities in the preceding three years, and alterations to the Company's share capital are set out below:

Date	Reason	Shares
20 July 2009	Shares repurchased from the Santova Logistics Share Purchase and Option Scheme Trust	91 335 509
31 August 2009	Shares repurchased from the Camilla Coleman Trust	11 717 520
31 August 2009	Shares issued for the purchase of McGregor Sea and Air Services Pty Ltd (formerly McGregor Customs (Pty) Ltd – achievement of profit warranty	61 200 014
9 June 2010	Shares issued for the purchase of Santova Logistics South Africa (Pty) Ltd (formerly Aviocean (Pty) Ltd) – achievement of profit warranty	131 250 000

<b>Date</b>	<b>Reason</b>	<b>Shares</b>
31 August 2010	Shares repurchased from the Camilla Coleman Trust	11 171 520
4 July 2011	Shares issued for the purchase of Santova Logistics South Africa (Pty) Ltd (formerly Aviocean (Pty) Ltd) – achievement of profit warranty	25 000 000
31 August 2011	Shares repurchased from the Camilla Coleman Trust	28 549 440

### 8.3.3 Major shareholders

As at 28 February 2009, the major shareholders of the Company were as follows:

<b>Shareholder</b>	<b>Direct/ Indirect</b>	<b>Number of shares held</b>	<b>Percentage</b>
The Stanley Donner Family Trust	Indirect	311 473 088	24.01
Rothchild Bank AG	Indirect	100 000 000	7.71
The Share Trust		91 335 509	7.04
Other shareholders		794 546 941	61.24
<b>Total</b>		<b>1 297 355 538</b>	<b>100.00</b>

As at 28 February 2010, the major shareholders of the Company were as follows:

<b>Shareholder</b>	<b>Direct/ Indirect</b>	<b>Number of shares held</b>	<b>Percentage</b>
Maitland Management Limited	Indirect	311 473 088	24.80
SIX SIS	Indirect	101 785 000	8.10
Other shareholders		842 790 435	67.10
<b>Total</b>		<b>1 256 048 523</b>	<b>100.00</b>

As at 31 July 2011 the major shareholders of the Company were as follows:

<b>Shareholder</b>	<b>Direct/ Indirect</b>	<b>Number of shares held</b>	<b>Percentage</b>
Maitland Management Limited	Indirect	311 473 088	22.23
A L van Zyl	Direct	156 250 000	11.15
SIX SIS	Indirect	108 785 000	7.76
Other shareholders		824 618 915	58.86
<b>Total</b>		<b>1 401 127 003</b>	<b>100.00</b>

## 8.4 Pro forma financial effects

The *pro forma* financial effects set out below have been prepared for illustrative purposes only and because of their nature may not give a fair reflection of the financial position of the Santova Group. The preparation of the financial effects is the responsibility of the directors of Santova Logistics.

The table on the following page sets out the *pro forma* financial effects of the specific buy-back, odd lot and specific offer, share consolidation, and conversion to no par value shares on the Santova Group, based on Santova Logistics' audited results for the year ended 28 February 2011. The financial effects are presented for illustrative purposes only and because of their nature may not give a fair reflection of the Group's results, financial position and changes in equity after the transactions.

It has been assumed for purposes of the *pro forma* financial effects that the above transaction took place as at 28 February 2011 for the Statement of Financial Position and the Statement of Comprehensive Income with effect from 1 March 2010. The directors of Santova Logistics Limited are responsible for the preparation of the financial effects, which have not been reviewed by the auditors.

## STATEMENT OF FINANCIAL POSITION

	Audited 28 February 2011 R'000	Fair Value of Put Option granted to M F Impson R'000	Specific Buy-back of shares – M F Impson R'000	Odd Lot Offer (Less than 3 301 Shares) R'000	Specific Offer (Between 3 301 and less than 10 000 shares) R'000	Consoli- dation of Shares, conversion to no par value and other transaction costs R'000	Note	Pro Forma after adjustment for the different corporate actions R'000
<b>ASSETS</b>								
<i>Non-current assets</i>	72 422		–	–	–	–		72 422
Plant and equipment	8 540	–	–	–	–	–		8 540
Intangible assets	59 990	–	–	–	–	–		59 990
Financial assets	458	–	–	–	–	–		458
Deferred taxation	3 434	–	–	–	–	–		3 434
<i>Current assets</i>	275 454	–	(3 785)	(18)	(45)	(675)		270 931
Trade receivables	248 820	–	–	–	–	–		248 820
Other receivables	11 789	–	–	–	–	–		11 789
Current tax receivable	784	–	–	–	–	–		784
Amounts owing from related parties	573	–	–	–	–	–		573
Cash and cash equivalents	13 488	–	(3 785)	(18)	(45)	(675)	N1/ N2/ N5	8 965
<b>TOTAL ASSETS</b>	347 876	–	(3 785)	(18)	(45)	(675)		343 353
<b>EQUITY AND LIABILITIES</b>								
<i>Capital and Reserves</i>	103 415	(1 036)	(2 709)	(18)	(45)	(668)		98 939
Share capital and premium	151 204	–	(3 643)	(17)	(43)	(147 501)	N1/ N2/ N3/ N4	–
Stated Capital	–	–	–	–	–	147 501	N4	147 501
Contingency reserve	181	–	–	–	–	–		181
Foreign currency translation reserve	1 068	–	–	–	–	–		1 068
Accumulated loss	(50 718)	(1 036)	934	(1)	(2)	(668)	N5	(51 491)
Attributable to equity holders of the parent	101 735	(1 036)	(2 709)	(18)	(45)	(668)		97 259
Minority interest	1 680	–	–	–	–	–		1 680
<i>Non-current liabilities</i>	5 761	–	–	–	–	–		5 761
Interest-bearing borrowings	318	–	–	–	–	–		318
Long-term provision	2 013	–	–	–	–	–		2 013
Financial liabilities	3 429	–	–	–	–	–		3 429
Deferred taxation	1	–	–	–	–	–		1
<i>Current liabilities</i>	238 700	1 036	(1 076)	–	–	(7)		238 653
Trade and other payables	116 811	–	–	–	–	–		116 811
Current tax payable	593	–	(40)	–	–	(7)		546
Current portion of interest-bearing borrowings	151	–	–	–	–	–		151
Amounts owing to related parties	157	–	–	–	–	–		157
Current portion of financial liabilities	5 947	1 036	(1 036)	–	–	–		5 947
Short-term borrowings and overdraft	108 991	–	–	–	–	–		108 991
Short-term provisions	6 050	–	–	–	–	–		6 050
<b>TOTAL EQUITY AND LIABILITIES</b>	347 876	–	(3 785)	(18)	(45)	(675)		343 353
Shares for net asset value calculation (shares '000)	1 403 828	–	(36 428)	(164)	(432)	(1 230 124)	N1/ N2/ N3	136 680
Actual number of shares in issue (shares '000)	1 376 127	–	(36 428)	(164)	(432)	(1 205 193)	N1/ N2/ N3	133 910
Net asset value (R'000)	103 415	(1 036)	(2 709)	(18)	(45)	(668)	N1/ N2/ N5	98 939
Net tangible asset value (R'000)	43 425	(1 036)	(2 709)	(18)	(45)	(668)	N1/ N2/ N5	38 949
Net asset value per share (cents)	7.37	(0.07)	0.01	–	–	65.08		72.39
Net tangible asset value per share (cents)	3.09	(0.07)	(0.12)	–	–	25.60		28.50

## STATEMENT OF COMPREHENSIVE INCOME

	Audited 28 February 2011 R'000	Fair Value of Put Option granted to M F Impson R'000	Specific Buy-back of shares – M F Impson R'000	Odd Lot Offer (Less than 3 301 shares) R'000	Specific Offer (Between 3 301 and less than 10 000 shares) R'000	Consoli- dation of Shares and change to no par value R'000	Other Trans- action costs R'000	Note	<i>Pro Forma</i> after adjustment for the different corporate actions R'000
Turnover	144 230	–	–	–	–	–	–		144 230
Gross billings	2 044 439	–	–	–	–	–	–		2 044 439
Cost of billings	(1 900 209)	–	–	–	–	–	–		(1 900 209)
<i>Other income</i>	6 365	–	–	–	–	–	–		6 365
Depreciation and amortisation	(3 960)	–	–	–	–	–	–		(3 960)
<i>Administrative expenses</i>	(114 934)	–	–	–	–	–	(650)	N5	(115 584)
Operating income	31 701	–	–	–	–	–	(650)		31 051
Interest received	2 265	–	(142)	(1)	(2)	–	(25)	N6	2 095
Fair Value Adjustment (Put Option)	–	(1 036)	1 036	–	–	–	–		–
Finance costs	(10 750)	–	–	–	–	–	–		(10 750)
Profit before taxation	23 216	(1 036)	934	(1)	(2)	–	(675)		22 396
Income tax expense	(5 891)	–	40	–	–	–	7	N7	(5 844)
Profit for the year	17 325	(1 036)	934	(1)	(2)	–	(668)		16 552
Attributable to:									
Equity holders of the parent	16 964	(1 036)	934	(1)	(2)	–	(668)		16 191
Minority interest	361	–	–	–	–	–	–		361
Basic earnings per share (cents)	1.25	(0.08)	0.11	–	–	11.08	(0.05)		12.31
Basic headline earnings per share (cents)	1.07	–	0.02	–	–	9.32	(0.05)		10.36
Diluted earnings per share (cents)	1.23	(0.06)	0.11	–	–	10.82	(0.05)		12.05
Diluted headline earnings per share (cents)	1.04	–	0.02	–	–	9.13	(0.05)		10.14
Weighted average number of shares (shares '000)	1 351 944	–	(36 428)	(164)	(432)	(1 183 428)	–		131 492
Diluted weighted average number of shares (shares '000)	1 380 493	–	(36 428)	(164)	(432)	(1 209 122)	–		134 347
Actual number of shares in issue (shares '000)	1 376 127	–	(36 428)	(164)	(432)	(1 205 193)	–		133 910

### Notes:

#### N1 Specific Buy-Back

In terms of an agreement between Santova Logistics Limited and Malcolm Frederick Impson, Santova Logistics Limited will purchase 36 427 776 shares from Malcolm Frederick Impson for 10 cents per share, subject to the provisions stipulated in the agreement. For the purposes of the *pro forma* financial information it is assumed that the specific buy-back took place on 1 March 2010.

#### N2 Odd lot and specific offer.

In terms of the Circular:

- Shares will be bought back at 10 cents per share from shareholders who hold less than 3 301 ordinary shares.
- Shareholders who hold more than 3 300 shares but less than 10 000 shares, have the option to sell their shares back to the Company. It is assumed for purposes of these *pro forma* financial statements, that the shareholders will elect to sell their shares back to the Company at 10 cents per ordinary share held.

For the purposes of the *pro forma* financial information it is assumed that the specific buy-back took place on 1 March 2010. Thereafter the ordinary shares of 0.1 cent per share are consolidated at a rate of 10:1.

N4 After the specific, odd lot and specific offer share buy-backs as described in N1 and N2 above, and the consolidation of shares described in N3 above the remaining ordinary shares with a par value of 1 cent per share, are converted to ordinary shares with no par value and are reclassified to the stated capital account.

N5 For purposes of the share buy-backs referred to in N1 and N2; the consolidation of shares referred to in N3; and the conversion from par value to no par value shares in N4, an estimated R650 000 has been provided for to account for any transaction costs which may occur as a result of the above corporate actions. This amount is considered net of tax, since it is not tax deductible for tax purposes.

N6 Interest lost as a result of cash outflows relating to the specific buy-back, odd lot and specific offers and transaction costs. Interest has been calculated using First National Bank's Money Market Interest rate of 3.90% per annum.

N7 Taxation effect of interest as set out in N6.

The assumptions used in the *pro forma* financial effects are:

- none of the transactions are expected to have a continuing effect on Santova Logistics Limited;
- earnings remain constant, except for where adjustments are shown above; and
- the acquisitions will be funded by cash.

## 8.5 Information relating to directors

The full names, addresses and functions of the directors, including a brief *curriculum vitae* of each director as at the last practicable date are set out below:

### 8.5.1 Non-executive directors

Edward (Ted) Garner 72, Chairman (Independent)  
MBL (UNISA), MSIA (Carnegie Mellon, USA), CA(SA)  
Business address: 24 Camwood, Zimbali, Ballito, 4422

Ted is a Chartered Accountant (South Africa) with a Masters Degree in Business Administration. Most of his career has been in the Tongaat Sugar company/Tongaathulett group which he joined in 1967. He was appointed Financial Director of the Tongaat-Hulett group in 1978 and in addition was Executive Chairman of various operating divisions of the group and Vice-Chairman of Triangle Sugar Corporation in Zimbabwe. During his tenure and under the auspices of the group, Ted was a director of overseas operations in Luxemburg, Switzerland and London. Locally Ted served as a director on the Small Business Development Corporation, the Consultative Business Movement and the National Housing Trust. In his personal capacity he served as a Governor on the board of Kearsney College in KwaZulu-Natal and as Chairman of the Kearsney College Trust, of which he is a Life Member. Since his retirement from the Tongaat-Hulett group 2000, Ted has focused on business consultancy. Ted is also Chairman of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.

Warwick Lombard 55 (Independent)  
CA(SA)  
Business address: 1111 Church Street, Hatfield, Pretoria, 0083

Warwick qualified as a Chartered Accountant (South Africa) in 1988. He completed his articles with Kessel Feinstein and moved into the commercial environment in 1987. Over the last 20 years he has served on various boards of both listed and unlisted companies as Financial Director in the construction, mining and technology sectors. He is currently the Group Financial Director of a listed industrial holding group and Chairman of the Santova Logistics Audit and Risk Committee and a member of the Remuneration and Nominations Committee.

Anthony David Dixon 64 (Independent)  
CA(SA), F Inst. D  
Business address: Number 1, The Rushes, Hoylake Village, Mount Edgecombe Country Club Estate, Mount Edgecombe, 4302

Tony spent 30 years of his business career with Coopers & Lybrand (PricewaterhouseCoopers), becoming Regional Chairman – KwaZulu-Natal, and was a long-serving member of the firm's National Executive and Governing Board. Since 1995 Tony has held executive and non-executive directorships on a number of major listed and unlisted boards, including one of South Africa's largest short-term insurance companies, Guardian National Insurance Company, before its merger with Santam. These directorships included the positions of Managing Director, Financial Director and Chairman. Tony has considerable Audit Committee experience. Tony was the Executive Director of the Institute of Directors for the four years from 2004 to 2007. He is acknowledged as an expert in corporate governance and has been instrumental in establishing the Institute of Directors in South Africa as the recognised custodians of corporate governance in the country. For a number of years Tony provided the secretariat role to the King Committee of which he is currently a member. Tony is a member of the Audit and Risk Committee and of the Remuneration and Nominations Committee.

Stanley Donner 59  
BCom, LLB  
Business address: Apartment A44, Edge of the Sea, Lagoon Drive, Umhlanga Rocks, 4021

Stanley graduated from the University of the Witwatersrand with a law degree, sub-majoring in accounting and finance. He then completed a shipping diploma part-time whilst in the employ of Freight Services, an Anglo American Group company. His service with Freight



Services covered a number of departmental job situations from import clearing to ship chartering. Thereafter, Stanley and his brother started an international trading company, with a small shipping company to look after terminal cargo requirements. Stanley is the longest serving director of Santova Logistics, having been one of the members of the Board when the Company listed in 2002. He is actively involved in promoting the interests of Santova and became a non-executive director during the year.

### **8.5.2 Executive directors**

Glen Gerber 48, Chief Executive Officer  
BA (Hons), MBA

Business address: Santova House, 88 Mahatma Gandhi Road, Durban, 4001

Glen attained a BA Honours degree at Rhodes University in 1984 and thereafter completed his compulsory two-year national service as an organisational development and research consultant to the SADF. He then joined integrated Business Information System (Pty) Ltd as a research and design manager (statistics and research methodology). On completing his MBA at the University of Pretoria, Glen made a strategic career decision to pursue the field of merchant banking services where companies on the JSE were serviced in respect of trade and working capital finance as well as foreign exchange, assets and structured finance. Shortly thereafter, Glen joined Investec Group Ltd where he headed both the Northern Transvaal and later the KwaZulu-Natal operations for a continuous period of 12 years, focusing on specialised and structured finance, trust, global fiduciary and tax advisory services as well as private equity and direct investment activities. Glen was appointed as a divisional director of Investec Private Bank in 1995. In 2003, Glen joined Santova Logistics as Chief Executive Officer.

Sean Chisholm 36, Group Financial Director  
BCompt (Hons), CTA, CA(SA)

Business address: Santova House, 88 Mahatma Gandhi Road, Durban, 4001

Sean completed his articles with a medium-sized audit firm in KwaZulu-Natal during 1999 only to move on to join Ernst & Young's KwaZulu-Natal audit division. During 2000, he was asked to join the Corporate Finance and Advisory Services division with Ernst & Young, which provided him with a wealth of knowledge and experience in a variety of listed entities. After serving as Financial Director with Retail Solutions, a medium-sized start-up entity servicing a number of multinationals, he decided to break away and consult to a variety of listed entities, providing an array of system improvement solutions. After seeing the potential of Santova, he joined the Group in April 2006.

Malcolm Impson 68, Chairman of Impson Logistics (Pty) Ltd ("Impson") – **Retired 31 August 2011**

Business address: Santova House, 88 Mahatma Gandhi Road, Durban, 4001

Malcolm has been active in the customs clearing and forwarding industry all of his working life and is a Fellow of the Institute of Shipping and Forwarding Agents, South Africa. In 1978, Malcolm founded Impson and has been at the helm throughout its development in becoming one of the leading independent freight forwarding companies in South Africa. In May 2006, the entire shareholding in Impson was sold to Santova Logistics. The operating divisions of Santova Logistics have been transferred into Impson, which continues to be Malcolm's responsibility as Chairman of Impson.

Gary Knight 45, Managing Director of Impson Logistics (Pty) Ltd  
MSc (*cum laude*)

Business address: Santova House, 88 Mahatma Gandhi Road, Durban, 4001

Gary graduated with an MSc (*cum laude*) degree (Ecology) from the University of Natal in 1990. He then worked as lecturer and research scientist in Ecology and Microbiology for a further 18 months before making a career change into the logistics industry where he started with Impson in 1993. He has worked in all departments within the business and has at various stages managed the import, export and international forwarding departments before becoming Branch Manager of the Durban office in 1997. In 1998, he was appointed a director of Impson with a core focus on systems and new business development. Gary has been



responsible for many new innovative systems and operational processes that have facilitated Impson's growth into "blue chip" accounts and has been the main driver and designer of the IT system OSCAR, which is one of Impson's key differentiators. In 2006, Gary was appointed regional director for the coastal offices of Impson, and in 2008 Managing Director of Impson. In August 2008, Gary was appointed a director of Santova Logistics.

Anthony Lance van Zyl 37, Managing Director of Santova Logistics South Africa (Pty) Ltd  
Business address: Santova House, 88 Mahatma Gandhi Road, Durban, 4001

Lance started his freight career in 1993 as a consolidator within a medium-sized company specialising in import and export consolidations. He received in-house training and worked all the divisions, ending up in a managerial position. In 2001 he left the organisation to join Aviocean (Pty) Ltd ("Aviocean") as general Manager and six months later bought out his partner to acquire 100% of the business. During the next eight years Lance built the business into a dynamic supply chain solutions business with "blue chip" clients. Lance sold his interest in Aviocean to Santova Logistics in March 2010 and continues to act as its Managing Director. In January 2011 the name of the company was changed to Santova Logistics South Africa (Pty) Ltd and in February, Lance was appointed a director of Santova Logistics.

### 8.5.3 Remuneration of directors

The directors' remuneration in respect of the financial year ended 28 February 2011 was as follows:

#### *Executive directors' fees*

<b>February 2011</b>	<b>Basic remuneration<sup>1</sup> R'000</b>	<b>Other material benefits<sup>2</sup> R'000</b>	<b>Total excluding performance bonus R'000</b>	<b>Performance bonus R'000</b>	<b>Total R'000</b>
G H Gerber	1 500	–	1 500	94	1 594
S J Chisholm	900	–	900	56	956
M F Impson	1 470	–	1 470	61	1 531
G M Knight	1 349	–	1 349	84	1 433
A L van Zyl	1 381	41	1 422	409	1 831
<b>Total</b>	<b>6 600</b>	<b>41</b>	<b>6 641</b>	<b>704</b>	<b>7 345</b>

1. Remuneration comprises Total Cost to Company.
2. Fringe benefit on the settlement of debt.

#### *Non-executive directors' fees*

Non-executive directors receive fixed fees for service on the Board and Board committees on the basis of meetings attended. Non-executive directors do not receive short-term incentives nor do they participate in any long-term incentive schemes. The current fees paid and payable to non-executive directors were approved by the Remuneration and Nominations Committee, the Board of Directors and shareholders at the annual general meeting held on 26 July 2011. At this shareholder meeting, shareholders also approved the Chairman's annual remuneration, which includes full meeting attendance remuneration.

	<b>Chairman fees<sup>1</sup> R'000</b>	<b>Meeting attendance fees R'000</b>	<b>Consulting fees R'000</b>	<b>Year ended 28 February 2011 R'000</b>
E S C Garner	135	72	–	207
A D Dixon <sup>2</sup>	–	12	–	12
S Donner <sup>3</sup>	–	28	1 199	1 227
W A Lombard	60	72	–	132
M Tembe <sup>4</sup>	–	–	–	–
<b>Total</b>	<b>195</b>	<b>184</b>	<b>1 199</b>	<b>1 578</b>

1. For the Chairman roles for the Board and respective committees.
2. A D Dixon was appointed to the Board on 1 December 2010.
3. S Donner became a non-executive director effective 26 May 2010.
4. M Tembe resigned on 29 April 2010.

The remuneration received by the individual directors will not vary as a consequence of any of the actions contemplated in this circular.

#### **8.5.4 Directors' interest**

The table below sets out the direct and indirect interests of directors in the issued ordinary shares of Santova Logistics as at 28 February 2011 and no change has occurred since the preceding financial year and the date of this circular, besides the issue of 25 000 000 shares to A L van Zyl. Refer paragraph 8.3.2 of this circular:

<b>Director</b>	<b>Direct</b>	<b>%</b>	<b>Indirect</b>	<b>%</b>	<b>Total</b>	<b>%</b>
S J Chisholm	349 876	0.03	–	–	349 876	0.03
A D Dixon	2 800 000	0.20	–	–	2 800 000	0.20
E S C Garner	–	–	3 000 000	0.22	3 000 000	0.22
G H Gerber	875 000	0.06	41 161 616	2.99	42 036 616	3.05
M F Impson	52 039 680	3.78	–	–	52 039 680	3.78
G M Knight	16 800 000	1.22	–	–	16 800 000	1.22
A L van Zyl	131 250 000	9.54	–	–	131 250 000	9.54
<b>Total</b>	<b>204 114 556</b>	<b>14.83</b>	<b>44 161 616</b>	<b>3.21</b>	<b>248 306 172</b>	<b>18.04</b>

#### **8.5.5 Directors of subsidiary companies**

The table below sets out the direct and indirect interests of directors of subsidiary companies in the issued ordinary shares of Santova Logistics as at 28 February 2011. No change occurred between the preceding financial year and the date of this circular:

<b>Director</b>	<b>Direct</b>	<b>%</b>	<b>Indirect</b>	<b>%</b>	<b>Total</b>	<b>%</b>
T K Blond	12 724 952	0.93	–	–	12 724 952	0.93
G H Crews	1 373 000	0.10	–	–	1 373 000	0.10
G McGregor	–	–	61 200 014	4.45	61 200 014	4.45
C V Simpson	–	–	9 632 398	0.70	9 632 398	0.70
R Singh	8 370 081	0.61	50 165 200	3.64	58 535 281	4.25
G W Stay	14 190 667	1.03	–	–	14 190 667	1.03
<b>Total</b>	<b>36 658 700</b>	<b>2.67</b>	<b>120 997 612</b>	<b>8.79</b>	<b>157 656 312</b>	<b>11.46</b>

#### **8.5.6 Directors' interest in transactions**

The directors have certified that they held no material beneficial interest in any transaction, which significantly affected the business of the Group, with the Company or any of its subsidiaries. Accordingly, no conflict of interest with regards to directors' interests in contracts exists. There have been no changes to the above since 28 February 2011 and up to the date of the issue of this Circular to Shareholders.

#### **8.5.7 Directors' responsibility**

The directors whose names are given in paragraph 8.5 of this circular collectively and individually accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement herein false or misleading and that all reasonable enquiries to ascertain such facts have been made and that the circular contains all information required by law and the JSE Listings Requirements.

## **8.6 Costs**

The cash expenses of this specific share buy-back, odd lot and specific offer, share consolidation, conversion to shares of no par value, increase in authorised share capital and change of name, as detailed below, are estimated to be R650 000 and relate, *inter alia*, to:

	<b>R</b>
Printing, publication and distribution cost of this circular	200 000
Fees payable to professional advisers:	
River Group	150 000
SAB&T	150 000
Corporate action fees to STRATE and Computershare	100 000
JSE documentation fee	44 556
Other Incidentals	5 444
<b>Total</b>	<b>650 000</b>

Santova Logistics has not incurred preliminary expenses within the three years preceding the date of the circular regarding this specific buy-back or any of the actions contemplated in this circular.

## **8.7 Trading history**

The trading history of Santova Logistics shares on the JSE is set out in Annexure B.

## **8.8 King code**

The Board of Directors comply with, to the extent possible and as set out in the Company's Annual Integrated Report (refer to Annexure F for a summary on King III compliance by the Company), and apply the Code of Good Corporate Practices and Conduct as detailed in the King III Report and use the corporate governance requirements as a basis for the governance structure through which the Group is directed, controlled and managed. Notwithstanding the governance structure set in place, the Board of Directors believes in and, in fact, places great emphasis on, ensuring compliance with the substance of corporate governance.

The Board of Directors accepts that it is ultimately responsible for ensuring the effectiveness of corporate governance in Santova Logistics.

### **8.8.1 Board of Directors**

The Company has a unitary Board of Directors with the roles of the Chairman and Chief Executive Officer separated and their responsibilities clearly defined. The Chairman is an independent non-executive director. The Board is comprised of three independent non-executive directors, all of whom have strong financial backgrounds, one non-executive director and five executive directors. The recommendation in King III that the Board comprise a majority of non-executive directors has not been applied at this stage of the Company's development.

The Board has adopted a policy detailing procedures for the appointments to the Board. All appointments are formal and transparent and a matter for the Board as a whole. There exists a clear division of responsibilities at Board level that ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.

### **8.8.2 Board Committees**

The Board has appointed a number of committees to assist it in the performance of its duties. These committees include:

#### *8.8.2.1 Audit and Risk Committee*

The purpose of the Audit and Risk Committee is to strengthen internal governance and thereby assist the Board in its responsibilities, ensuring the operation of adequate systems, internal control processes and the preparation of accurate external financial reports and statements in compliance with all applicable legal requirements and accounting standards. This Committee also identifies risks in the Santova Group business and operational environment and decides how these risks should be addressed. The Committee assists the Board in reviewing the risk management systems and processes and identifying the significant risks facing the Company and Group.

The Committee comprises the following members:

Name	Financial Qualifications	Period served
W A Lombard (Committee Chairman and independent non-executive director)	CA(SA)	1 March 2010 – present
E S C Garner (Independent non-executive director)	CA(SA)	1 March 2010 – present
A D Dixon (Independent non-executive director)	CA(SA)	1 December 2010 – present

The Audit and Risk Committee meets at least quarterly.

#### *8.8.2.2 Remuneration and Nominations Committee*

The primary purpose of this Committee is to ensure that remuneration policies and practices are established and observed which will attract and retain individuals able to create enduring value for shareholders.

The Committee comprises the following members:

- E S C Garner (Committee chairman and independent non-executive director);
- A D Dixon (Independent non-executive director, appointed 1 December 2010); and
- W A Lombard (Independent non-executive director).

The Committee normally meets three times a year.

### **8.9 Advisors' and experts' consents**

The Designated Advisor, Reporting Accountants, Company Secretary and Transfer Secretaries have all provided their written consents to act in the capacity stated and to their names being used in this circular and have not withdrawn their consents prior to the publication of this circular.

### **8.10 Litigation Statement**

As at the last practicable date, the directors of the Company are satisfied that Santova Logistics and its subsidiaries are not involved in any material legal or arbitration proceedings or legal actions, nor are the directors aware of any proceedings that are pending or threatened, that may have, or have had in the 12 month period preceding the last practicable date, a material effect on the Company's financial position.

### **8.11 Material changes**

There have been no material changes in the financial or trading position of Santova Logistics since the publication of Santova Logistics' annual results for the period ended 28 February 2011.

### **8.12 Documents available for inspection**

Copies of the following documents will be available for inspection at the registered office of Santova Logistics as well as at the offices of River Group, Block C, 2<sup>nd</sup> Floor, 225 Veale Street, Brooklyn, Pretoria, 0181 and Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 during normal business hours on any business day up to the close of business on Tuesday, 4 October 2011:

- Memorandum and Articles of Association of Santova Logistics and subsidiary companies;
- Audited financial statements of Santova Logistics for the three preceding years;
- Service Agreements of Directors;

- The option agreement with Mr M F Impson;
- Agreements entered into the past three years other than in the normal course of business;
- Fair and reasonable opinion; and
- Written consents of the appointed professional advisors as set out in paragraph 8.9 above.

By order of the Board



**JA Lupton**  
*Company Secretary*

Durban  
7 September 2011

**Registered office**

Santova House  
88 Mahatma Gandhi Road  
Durban  
4001  
(PO Box 6148, Durban, 4000)

**Transfer Secretaries**

Computershare Investor Services (Pty) Ltd  
PO Box 61051  
Marshalltown  
2107  
(PO Box 61051, Marshalltown, 2107)

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**FAIRNESS OPINION**

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"The Directors  
Santova Logistics Limited  
PO Box 6148  
Durban  
4000

29 August 2011

Dear Sirs

**REPORT OF THE INDEPENDENT PROFESSIONAL EXPERT TO SANTOVA LOGISTICS LIMITED REGARDING THE SPECIFIC REPURCHASE OF SHARES FROM A RELATED PARTY IN TERMS OF A PUT OPTION GRANTED TO THE RELATED PARTY****Introduction**

SAB&T Chartered Accountants Incorporated ("SAB&T Incorporated") have been appointed by the Board of Directors of Santova Logistics Limited ("Santova"; or "the Company") to provide an independent fairness opinion to the shareholders of Santova with regard to Santova's proposed share buy-back which comprises the following transactions:

- (a) Acquisition of 36 427 776 Santova shares held by Malcolm Frederick Impson;
- (b) The put option granted by Santova, to Malcolm Frederick Impson, in terms of which Malcolm Frederick Impson has the option to put 36 427 776 shares to Santova at 10 cents per share.

Fairness opinion required in terms of Section 5.69(e)(i) of the JSE Limited Listings Requirements ("JSE Listings Requirements").

In order for the directors of Santova to provide a statement that the specific repurchase is fair insofar as the shareholders of Santova (excluding any related parties) are concerned, the directors of Santova are further required, in terms of section 5.69 (e) of the JSE Listings Requirements, to obtain an independent fairness opinion before making this statement ("the fairness opinion").

The fairness opinion will be available for inspection at the offices of Santova during normal business hours for 28 days from the date of this opinion.

**Responsibility**

Compliance with the JSE Listings Requirements is the responsibility of the directors of Santova. Our responsibility is to report to the shareholders on the fairness of the terms and conditions of the proposed transaction.

***Explanation as to how the term "fair" applies in the context of the transaction***

Schedule 5.7 of the JSE Listings Requirements states that the "fairness" of a transaction is based on quantitative issues. In the case of the acquisition of an asset from a related party, a transaction may be said to be fair if the value of the consideration payable is less than or equal to the value of the asset that is the subject of the transaction.

The specific repurchase would therefore be considered fair to the shareholders of Santova if the value received in terms of the specific repurchase is equal to or greater than the value of the consideration paid, or unfair if the value received in terms of the specific repurchase is less than the value of the consideration paid.

***Details and sources of information***

In arriving at our valuation, we considered the following information.

In arriving at our opinion we have relied upon the following principal sources of information:

- Audited financial statements of Santova for the periods ended 28 February 2010 and 28 February 2011;
- Budgeted income statements for Santova for the year ended 29 February 2012, prepared by Santova management;
- The legal agreements relating to the transactions, which comprise the specific repurchase;
- Discussions with Santova directors and the Designated Advisor regarding the forecast information presented;
- Publicly available information with regard to risk free rates;
- Prevailing market, economic, legal and other conditions which may affect underlying value; and
- Publicly available information relating to Santova we deemed to be relevant, including company announcements, analysts' reports and media articles.

The information above was sourced from:

- The directors and management of Santova and their advisors; and
- Third party sources, insofar as such information related to publicly available economic, market and other data applicable to or potentially influencing Santova.

### **Assumptions**

We arrived at our opinion based on the following assumptions:

- That all agreements that have been entered into in terms of the specific repurchase will be legally enforceable;
- That reliance can be placed on the audited financial statements of Santova; and
- That Santova's budgeted revenues and earnings before interest, tax, depreciation and amortisation ("EBITDA") for the period ended 29 February 2012 are likely to be achieved and are maintainable going forward.

### **Appropriateness and reasonableness of underlying information and assumptions**

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Reliance on audit reports in the financial statements of Santova;
- Analysis of Santova's audited financial statements for the year ended 28 February 2011 to assess the achievability of the budgeted revenues and EBITDA for the period ended 29 February 2012;
- Conducting analytical reviews on the financial statements of Santova, such as key ratio and trend analyses; and
- Determining the extent to which representations from management and the Designated Advisor of Santova were confirmed by third party and documentary evidence, as well as our understanding of the Company and the economic environment in which it operates.

### **Limiting conditions**

This opinion is provided to the Board of Directors and shareholders of Santova in connection with and for the purposes of the transaction. The opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Santova shareholders.

An individual shareholder's decision as to whether to vote in favour of the transaction may be influenced by his particular circumstances. The assessment as to whether or not the directors of Santova decide to recommend the proposed transaction is a decision that can only be taken by the directors of Santova. Should a Santova shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

We have relied upon and assumed the accuracy of the information provided to us in deriving our opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Santova, by reference to publicly available or independently obtained information. While our work has involved an analysis of, *inter alia*, the annual financial statements, and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

Where relevant, forward-looking information on Santova relates to future events and is based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of Santova will correspond to those projected. Where practicable, we have compared the forecast financial information to past trends as well as discussing the assumptions inherent therein with the management of Santova.

We have also assumed that the specific repurchase will have the legal consequences described in discussions with, and materials furnished to us by representatives and advisors of Santova and we express no opinion on such consequences.

Our opinion is based on current economic, regulatory and market as well as other conditions. Subsequent developments may affect this opinion, and we are under no obligation to update, review or re-affirm our opinion based on such developments.

## **Independence**

In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that SAB&T Incorporated have no equity interest in Santova or in any other party to the transaction. In terms of schedule 5.1(a) of the JSE Listings Requirements, we confirm that there is no existing relationship between SAB&T Incorporated and any of the parties to the transaction.

Furthermore, we confirm that our professional fees are not contingent upon the success of the proposed transaction.

## **Valuation**

SAB&T Incorporated performed a valuation of Santova to determine whether the consideration to be received in terms of the specific repurchase represents fair value to Santova shareholders.

The valuation methodology utilised was the discounted cash flow approach in respect of the Santova shares and the Black & Scholes model for the valuation of the put option granted to Malcolm Frederick Impson.

The valuations were performed taking cognisance of risk and other market and industry factors affecting Santova. Additionally, sensitivity analyses were performed considering key value drivers.

Key value drivers to the discounted cash flow valuation included the discount rate, working capital and capital expenditure requirements, operating margins and future growth in the business. Internal value drivers considered for valuation purposes included the achievement of strategic targets through the acquisition of Santova Logistics South Africa (Pty) Ltd (formerly Aviocean (Pty) Ltd), increasing the geographical footprint, the ability of management to remain competitive and grow in an adverse economic environment and the continuous development of intellectual property to ensure a sustainable competitive advantage. Prevailing market and industry conditions were also considered as external value drivers.

In undertaking the discounted cash flow valuation exercise above, incorporating certain assumptions regarding the future profitability of Santova, we determined a valuation range for Santova of 9.02 cents to 10.65 cents per share.

Based on the above valuation range per Santova share, the consideration of 10 cents per share to be paid in terms of the specific repurchase is within the range of fair values per Santova share.

In undertaking the Black & Scholes valuation in respect of the put option, we determined a fair value of the option to be 2,84 cents per share.

The valuation exercise above was undertaken solely in respect of the fairness opinion and should not be used for any other purposes.

## **Procedures**

In arriving at our opinion we have undertaken the following procedures and taken into account the following factors in evaluating the fairness of the transaction:

- Reviewed the audited and unaudited financial information related to Santova, as detailed above;



- Held discussions with certain directors and the Designated Advisor of Santova and considered such other matters as we consider necessary, including assessing the prevailing economic and market conditions and trends;
- Reviewed Santova's forecast income statement and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management and the Designated Advisor;
- Compiled a financial model using the forecast financial information prepared by the management of Santova and applied our forecast cash flows approach to produce a discounted cash flow valuation of Santova;
- Performed a sensitivity analysis on key assumptions included in the financial model relating to cost of capital and growth in the business;
- Assessed comparable market-related earnings multiples relevant to Santova;
- Assessed the long-term potential of Santova and its operations;
- Evaluated the relative risks associated with Santova and the industry in which it operates;
- Reviewed the nature of the assets of Santova;
- For the calculation of the put options:
  - considered the historical share price movement of Santova over the last 12 months to assess the relative liquidity and volatility of Santova,
  - utilised a risk free rate of instruments that expire in the same general period as the expected option expiration date, and
  - assumed that Malcolm Frederick Impson will exercise all the put options prior to the expiration date;
- Reviewed certain publicly available information relating to Santova that we deemed to be relevant, including company announcements, analysts' reports and media articles; and
- Where relevant, representations made by management and/or directors were corroborated to audited financial statements, or independent analytical procedures were performed by us to examine and understand the industry in which Santova operates, and to analyse external factors that could influence the business of Santova.

## Opinion

SAB&T Incorporated has considered the terms and conditions of the specific repurchase as well as the put option granted and, based on and subject to the conditions set out herein, are of the opinion that the specific repurchase of shares from Malcolm Frederick Impson is fair, but that the granting of the option is not fair, to the shareholders of Santova .

Our opinion is necessarily based upon the information available to us up to 29 August 2011, including financial information as well as other conditions and circumstances existing and disclosed to us. We have assumed that all conditions precedent, including any material regulatory and other approvals or consents required in connection with the transaction have been fulfilled or obtained.

Accordingly, it should be understood that subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.



**Bashier Adam**  
*Director*

**SAB&T Incorporated**  
119 Witch-Hazel Avenue  
Highveld Technopark  
Centurion"

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**TRADING HISTORY OF SANTOVA LOGISTICS' SHARES ON THE JSE LIMITED**


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The table below sets out the high, low, closing price and the aggregate volumes of Santova Logistics' ordinary shares traded on the JSE for the periods as depicted

<b>Year</b>	<b>Period</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Close (cents)</b>	<b>Volume (shares)</b>
<b>2008</b>	<b>Quarterly</b>				
	September	8	5	6	11 700 900
	December	7	4	6	23 172 895
<b>2009</b>					
	March	6	3	6	15 964 134
	June	6	4	4	14 257 768
	September	5	3	4	11 837 393
	December	5	3	4	13 693 105
<b>2010</b>					
	March	5	3	4	6 713 439
	June	4	2	3	9 968 180
	<b>Monthly</b>				
	July	6	3	4	3 132 191
	August	8	4	6	12 889 232
	September	7	5	5	2 452 637
	October	7	4	6	2 803 610
	November	9	6	8	16 078 308
	December	9	7	8	8 347 467
<b>2011</b>					
	January	8	6	6	4 767 423
	February	8	6	6	5 282 665
	March	8	6	7	2 950 186
	April	7	5	6	2 169 728
	May	9	6	7	8 788 914
	June	8	6	6	4 998 727
	<b>Daily</b>				
<b>July</b>	1	–	–	6	–
	4	–	–	6	–
	5	7	7	7	189 392
	6	7	7	7	96 000
	7	6	6	6	568 000
	8	–	–	6	–
	11	7	7	7	200 000
	12	6	6	6	2 000
	13	6	6	6	73 500
	14	6	6	6	42 700
	15	–	–	6	–
	18	6	6	6	150 313
	19	7	6	6	80 000
	20	–	–	6	–
	21	6	6	6	9 600
	22	6	6	6	500 000
	25	–	–	6	–
	26	7	7	7	9 030
	27	–	–	7	–
	28	–	–	7	–
	29	6	6	6	100 000

Year	Period	High (cents)	Low (cents)	Close (cents)	Volume (shares)
August	<b>Daily</b>				
	1	6	6	6	80 000
	2	–	–	6	–
	3	–	–	6	–
	4	–	–	6	–
	5	6	5	6	525 000
	8	–	–	6	–
	9	–	–	6	–
	10	–	–	6	–
	11	–	–	6	–
	12	–	–	6	–
	15	6	6	6	59 000
	16	7	5	7	22 900
	17	–	–	7	–
	18	–	–	7	–
	19	6	6	6	1 214 000
	22	–	–	6	–
	23	–	–	6	–
	24	6	6	6	25 000
25	6	6	6	100 000	

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**REPORTING ACCOUNTANTS REPORT ON THE *PRO FORMA* FINANCIAL EFFECTS**

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**INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF SANTOVA LOGISTICS LTD**

"The Directors  
Santova Logistics Ltd  
Santova House  
88 Mahatma Gandhi Road  
Durban  
4001

29 August 2011

Dear Sirs

**INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION OF SANTOVA LOGISTICS LIMITED ("SANTOVA") RELATING TO THE SPECIFIC SHARE BUY-BACK, ODD LOT OFFER TO SHAREHOLDERS, CONSOLIDATION OF SHARES AND THE CONVERSION OF PAR VALUE TO NO PAR VALUE SHARES****Introduction**

We have performed our limited assurance engagement in respect of the *pro forma* financial information set out in paragraph 8.4 on page 18 of the Circular to be dated on or about 1 September 2011 issued in connection with the specific share buy-back from Mr Impson and the small shareholders ("odd lot offer"), consolidation of shares and the conversion of par value to no par value shares ("the transactions") that is the subject of this circular of Santova Logistics Ltd.

The *pro forma* financial information has been prepared in accordance with the requirements of the JSE Limited ("JSE") Listings Requirements, for illustrative purposes only, to provide information about how the corporate transaction(s) might have affected the reported historical financial information presented, had the corporate transactions been undertaken at the commencement of the period or at the date of the *pro forma* Statement of Financial Position being reported on.

**Directors' responsibilities**

The directors of Santova are responsible for the compilation, contents and preparation of the unaudited *pro forma* financial information contained in the Circular and for the financial information from which it has been prepared. Their responsibility includes determining that: the unaudited *pro forma* financial information has been properly compiled on the basis stated; the basis is consistent with the accounting policies of Santova; and the *pro forma* adjustments are appropriate for the purposes of the unaudited *pro forma* financial information disclosed in terms of the JSE Listings Requirements.

**Reporting accountants' responsibility**

Our responsibility is to express our limited assurance conclusion on the unaudited *pro forma* financial information included in the Circular to Santova's shareholders. We conducted our assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Revised Guide on *Pro Forma* Financial Information issued by The South African Institute of Chartered Accountants. This standard requires us to obtain sufficient appropriate evidence on which to base our conclusion.

We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* financial information, beyond that owed to those to whom those reports were addressed at their dates of issue.

### **Sources of information and work performed**

Our procedures consisted primarily of comparing the unadjusted financial information with the financial statements, considering the *pro forma* adjustments in light of the accounting policies of Santova, the issuer, considering the evidence supporting the *pro forma* adjustments and discussing the adjusted *pro forma* information with the directors of Santova in respect of the transactions that are subject to the Circular.

In arriving at our conclusion, we have relied upon financial information prepared by the directors of Santova and other information from various industry sources.

While our work performed has involved a review of the historical published audited financial information and other information provided to us, our assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement. We believe that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Conclusion**

Based on our examination of the evidence obtained, nothing has come to our attention, which causes us to believe that:

- the *pro forma* financial information has not been properly compiled on the basis stated,
- such basis is inconsistent with the accounting policies of the issuer, and
- the adjustments are not appropriate for the purposes of the *pro forma* financial information as disclosed in terms of the section 8.17 and 8.30 of the JSE Listings Requirements.



### **Bashier Adam**

*Reporting Accountant Specialist*

For SAB&T Chartered Accountants Incorporated"

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**SHARE TRADING BREAK-EVEN ANALYSIS**


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<b>Number of shares</b>	<b>Share price</b>	<b>Total amount</b>	<b>Trading expenses</b>	<b>Profit/(loss)</b>
			190.00*	
1 000	0.06	60.00		(130.00)
	0.07	70.00		(120.00)
	0.08	80.00		(110.00)
	0.09	90.00		(100.00)
	0.10	100.00		(90.00)
	0.11	110.00		(80.00)
	0.12	120.00		(70.00)
	0.13	130.00		(60.00)
	0.14	140.00		(50.00)
	0.15	150.00		(40.00)
	0.16	160.00		(30.00)
	0.17	170.00		(20.00)
	0.18	180.00		(10.00)
	0.19	190.00		–
	0.20	200.00		10.00
	0.21	210.00		20.00
2 000	0.06	120.00		(70.00)
	0.07	140.00		(50.00)
	0.08	160.00		(30.00)
	0.09	180.00		(10.00)
	0.10	200.00		10.00
	0.11	220.00		30.00
3 000	0.06	180.00		(10.00)
	0.07	210.00		20.00
3 300	0.06	198.00		8.00

\* Based on costs quoted by stockbrokers as the average costs to sell shares on the JSE.

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**REGULATION 31.7 REPORT: CONVERSION OF PAR VALUE TO NO PAR VALUE SHARES**

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**To the Shareholders  
Santova Logistics Limited**

**RE: CONVERSION TO NO PAR VALUE SHARES: REPORT IN TERMS OF REGULATION 31(7) OF THE COMPANIES REGULATIONS, 2011 ("THE REGULATIONS")**

The Board of Directors of Santova Logistics Limited at its meeting held on 26 July 2011 resolved to convene a general meeting of shareholders to pass, amongst other resolutions, a special resolution to convert the Company's authorised and issued ordinary shares having a par value of 0.1 cent each to shares having no par value. The reason for the change is that the Board wishes to increase its authorised share capital following a proposed consolidation of its shares and therefore wishes to avail itself of the option given to pre-existing companies in Regulation 31 of the Regulations to convert its par value shares to shares having no par value to bring its share capital into line with Regulation 31(2). The change is not designed substantially or predominantly to evade the requirements of any applicable tax legislation as contemplated in Regulation 31(6)(a).

The text of the special resolution to be considered by shareholders at the general meeting is as follows:

**Special Resolution Number 4 – Conversion of par value shares to shares of no par value.**

"THAT the authorised and issued ordinary shares of Santova Logistics Limited be converted from ordinary shares having a par value of 0.1 cent each to ordinary shares having no par value."

As required by Regulation 31(7) we hereby confirm that:

- (a) The circular to shareholders of which this conversion to no par value shares forms part of the subject matter contains all the relevant information required by this sub-paragraph 31(7). The Company is listed on JSE Limited and the Board believes that the value of the Company's securities will not be affected by the conversion.
- (b) The Company only has one class of shares, its ordinary shares, and all shareholders are equally affected by the proposed conversion.
- (c) The rights of shareholders after the proposed conversion will rank *pari passu* in every respect with the rights of shareholders prior to the conversion.
- (d) There will be no adverse effects on any shareholder as a consequence of the proposed conversion and therefore no compensation is deemed necessary or contemplated.
- (e) A copy of this report will be included in the circular to shareholders as Annexure E.

By order of the Board



**S J Chisholm**  
*Group Financial Director*

Durban  
31 August 2011

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**KING III COMPLIANCE TABLE EXTRACT FROM ANNUAL INTEGRATED REPORT 2011**


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<b>King III Principles</b>	<b>Santova Logistics Compliance</b>
<b>Chapter 4 – The Governance of Risk</b>	
1. Does the Board take overall responsibility for the governance of risk	Yes
2. Does the Board determine the levels of risk tolerance	Yes
3. Board assisted by Committees in carrying out its risk responsibilities	Yes
4. The Board delegates to Management the responsibility for risk management plan	Yes
5. Does the Board ensure that risk assessments are performed on a regular basis	Yes
6. Board ensures implementation of an appropriate framework and methodologies to increase the probability of anticipating unpredictable risks	Yes
7. Board ensures implementation of appropriate risk responses	Yes
8. Board receives assurance regarding effectiveness of risk management process	Yes
9. Board ensures risk disclosure to stakeholders	No
<b>Chapter 5 – The Governance of Information Technology</b>	
1. Board ensures proper IT governance	Yes
2. IT aligned with the performance and sustainability objectives of the Company	Yes
3. Board delegates to management the responsibility for the implementation of an IT governance Framework	Yes
4. Board monitors and evaluates significant IT investments and expenditure	Yes
5. IT forms an integral part of the Company's risk management	Yes
6. Board ensures the effective management of the Company's information assets	Yes
7. Does the Audit and Risk Committee assist the Board in carrying out its IT responsibilities	In process
<b>Chapter 6 – Compliance with Laws, Codes, Rules and Standards</b>	
1. Board ensures compliance with applicable laws and considers adherence to non-binding rules, codes and standards	Yes
2. Board and directors have working understanding of the effect of applicable laws, rules, codes and standards on the Company and its business	Yes
3. Compliance risk forms an integral part of the Company's risk management process	Yes
4. Board delegates to Management the responsibility for the implementation of an effective compliance framework and processes	Yes
<b>Chapter 7 – Internal Audit</b>	
1. Board ensures an effective risk-based internal audit	In process
2. Internal audit to provide written assessment of the effectiveness of the Company's system of internal controls and risk management	In process
3. Audit Committee is responsible for overseeing the internal audit function	Yes
4. Internal audit positioned to understand the strategy of the Company, and that it can achieve its Objectives	In process



**King III Principles**

**Chapter 8 – Governing Stakeholder Relationships**

1. Board appreciates that stakeholder perceptions affect the Company's reputation	Yes
2. Board delegates to Management the responsibility to proactively deal with stakeholder relationships	Yes
3. Board strives to achieve an appropriate balance between its various stakeholder groupings	No
4. Board ensures equitable treatment of stakeholders	Yes
5. Board ensures transparent and effective communication with stakeholders	Yes
6. Board ensures effective, efficient and expeditious resolution of disputes with stakeholders	Yes

**Chapter 9 – Integrated Reporting and Disclosure**

1. Board sets the tone/culture with respect to sustainability	Yes
2. Company to have a mission statement or codified policy on sustainability	No
3. Board ensures the integration of strategy and sustainability	Yes
4. Board to have a formal mandate/stated objective to ensure sustainability	No
5. Company to have mechanisms in place to measure sustainability	No
6. Company to prepare an Annual Integrated Report	In process
7. Sustainability reporting and disclosure integrated with the Company's financial reporting	Yes
8. Are sustainability reporting and disclosure independently assured	No
9. Does the Board have a formal climate change strategy	No

## **SANTOVA LOGISTICS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number: 1998/018118/06)  
Share code on JSE: SNV ISIN: ZAE000159711  
("Santova Logistics" or "the Company")

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### **NOTICE OF GENERAL MEETING OF SHAREHOLDERS**

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**Shareholders are reminded to take note of the following dates; the Last day to trade in order to be eligible to vote at the general meeting will be Friday, 23 September 2011; and the Record date in order to be eligible to vote at the general meeting will be Friday, 30 September 2011.**

NOTICE IS HEREBY GIVEN that a general meeting of shareholders of Santova Logistics Limited will be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban 4001 on Thursday, 6 October 2011 at 10:00, for the purpose of considering and, if deemed fit, passing the following resolutions as ordinary or special resolutions:

#### **Special resolution Number 1: Approval of specific share repurchase and the granting of a put option**

"That the specific repurchase of a maximum of 36 427 776 ordinary shares from Malcolm Frederick Impson ("Mr Impson") in terms of the irrevocable put option agreement between the Company and Mr Impson be approved."

A summary of the terms of the irrevocable put option agreement can be found in paragraph 2.3 on page 7 of this circular.

*The reason for and effect of the passing of special resolution number 1 is to approve the granting of an option to Mr Impson, and to pre-approve Mr Impson's exercise of the put option in Santova Logistics.*

*Approval of special resolution number 1 is achieved by a 75% majority of the votes cast in favour of this resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve this resolution.*

*Mr Impson may not exercise any vote with regard to this resolution.*

#### **Ordinary resolution Number 1: Approval of the odd lot offer**

"That the directors be and are hereby authorised to undertake an odd lot offer to shareholders holding less than 3 301 shares, in terms of the general authority to expropriate shares given at the Annual General Meeting of the Company held on 26 July 2011, and on the terms and conditions set out in Section 3 of the circular to shareholders dated 7 September 2011 at a price of 10 cents per ordinary share."

*Approval of ordinary resolution number 1 is achieved by a 75% majority of the votes cast in favour of this resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve this resolution.*

#### **Special Resolution Number 2: Approval of specific offer to shareholders holding more than 3 300 but less than 10 000 shares**

"That the repurchase of shares tendered by the minority shareholders in terms of the specific offer to shareholders, at 10 cents per share, be approved."

**Those shareholders who elect to sell their shareholdings will receive 10 cents per ordinary share sold. Those shareholders who do not make an election will be deemed not to have accepted the offer to sell their shares.**

*The reason for and effect of the passing of special resolution number 2 is to allow for the repurchase of shares tendered in terms of the specific offer to shareholders, thereby reducing the administrative costs resulting from the large number of odd lot shareholders.*

### **Special resolution Number 3: Approval of the consolidation of the share capital**

“That the restructuring of the Company’s authorised and issued ordinary share capital by the consolidation of its authorised and issued ordinary shares on the basis of 10 to 1 by the consolidation of every 10 shares with a par value of 0.1 cent each into 1 share with a par value of 1.0 cent each be approved.”

*The reason for the passing of special resolution number 3 is to consolidate the share capital of Santova Logistics on a 10 to 1 basis to give the Company a more meaningful share price denomination.*

*The effect of the passing of this special resolution number 3 is that the authorised ordinary share capital of 2 000 000 000 ordinary shares and the issued ordinary share capital of 1 401 127 003 ordinary shares of 0.1 cent each will be consolidated into 200 000 000 ordinary shares and 140 112 700 ordinary shares of 1.0 cent per share respectively.*

### **Special resolution Number 4: Authority to convert par value share to shares of no par value**

“That the authorised and issued ordinary shares of Santova Logistics Limited be converted from ordinary shares having a par value of 0.1 cent each to ordinary shares having no par value”

*The reason for the passing of special resolution number 4 is that par value shares have been abolished by the Companies Act, No 71 of 2008, as amended, and the Company has taken the option made available in R31(5) of the Companies Regulations 2011, and authorised by Article 33.4 of the Company’s Articles of Association (Memorandum of Incorporation) to convert its shares into shares of no par value.*

*The effect of the passing of special resolution number 4 is that each of the existing 200 000 000 authorised ordinary shares and 140 112 703 issued ordinary shares of 1.0 cent each after the consolidation will be converted to 200 000 000 and 140 112 700 shares of no par value, respectively.*

### **Special resolution Number 5: Authority to increase the authorised share capital**

“Subject to the passing of Special resolution Number 3 and Special resolution Number 4, the authorised share capital of the Company consisting of 200 000 000 ordinary shares of no par value be increased to 300 000 000 ordinary shares of no par value by the creation and addition thereto of 100 000 000 ordinary shares of no par value, the newly created shares to rank *pari passu* in every respect with the existing ordinary shares in the share capital of the Company.”

*The reason for the passing of special resolution number 5 is to ensure that there are sufficient authorised shares available for the needs of the Company for the foreseeable future.*

*The effect of the passing of special resolution number 5, is that the number of shares comprising the authorised share capital of the Company will be increased from 200 000 000 to 300 000 000.*

### **Special resolution Number 6: Authority to change the name of the Company**

“That the name of the company be changed from Santova Logistics Limited to Santova Limited.”

*The reason for the passing of special resolution number 6 is to change the name of the Company to Santova Limited, which name change is in line with the strategic direction of the Company.*

*The effect of the passing of special resolution number 6 is that the Company will in future be known as Santova Limited.*

### **Special resolution Number 7: General authority to give inter-company loans and financial assistance**

“That Santova Logistics Limited is hereby authorised, as a general authority, until the conclusion of the next annual general meeting, to give loans to and to provide financial assistance to related or inter-related companies in the normal course of its business, subject to the following conditions:

- the Board of Directors is satisfied that immediately after providing the financial assistance, the Company would satisfy the solvency and liquidity test;
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company; and
- the conditions or restrictions respecting the granting of financial assistance, if any, set out in the Company’s Memorandum of Incorporation have been satisfied.”

The reason for the passing of special resolution number 7 is that the Company may need to give loans or provide financial assistance to its subsidiary companies from time to time in the normal course of business and wishes to avoid the costs of having to convene a general meeting of shareholders on each occasion in order to do so.

The effect of the passing of special resolution number 7 is to enable the Company to give such loans or provide such financial assistance until the conclusion of the next annual general meeting.

### **Ordinary resolution Number 2: Authority to execute requisite documentation**

“That any director of the Company, or the Company Secretary where appropriate, be and hereby is authorised to do all such things and to sign all such documents issued by the Company required to give effect to special resolutions numbered 1 to 7 and ordinary resolution number 1.”

To transact such other business that may be transacted at a general meeting.

### **Action required**

#### **Voting and proxies**

- Ordinary resolution number 2 is subject to a simple majority vote of shareholders present or represented.
- Ordinary resolution number 1 and special resolutions numbered 1 to 7 are subject to the approval of 75% or more of the shareholders present or represented by proxy.
- Three shareholders present in person and shareholders representing in the aggregate 25% of the Company's issued share capital are required to constitute a quorum for a meeting at which a special resolution is to be passed.
- Mr M F Impson may not exercise any vote with regard to special resolution number 1.

A shareholder entitled to attend, speak and vote at the general meeting is entitled to appoint a proxy (who need not be a shareholder of Santova Logistics Limited), to attend, speak, and vote in his stead.

Shareholders who are companies or other corporate bodies may by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.

Shareholders who have not dematerialised their shares and own-name dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, must complete and return the attached Form of Proxy (*white*) in accordance with the instructions contained therein and return it to the Transfer Secretaries to be received by no later than 10:00 on Tuesday, 4 October 2011.

Shareholders who have dematerialised their shares, other than own-name registrations, with a Central Securities Depository Participant (“CSDP”) or stockbroker, should advise their CSDP or stockbroker as to the action they wish to take. This must be done in terms of the agreement entered into between them and their CSDP or stockbroker. Shareholders who have dematerialised their shares must not return the attached Form of Proxy to the Transfer Secretaries. Their instructions must be sent to their CSDP or stockbroker for action. Should such shareholders wish to attend the general meeting, they must first obtain the requisite letter of representation from their CSDP or stockbroker and return it to the Transfer Secretaries to be received by no later than 10:00 on Tuesday, 4 October 2011.

By order of the Board



**J A Lupton**  
Company Secretary

Durban  
7 September 2011

#### **Registered office**

Santova House  
88 Mahatma Gandhi Road  
Durban  
4001  
(PO Box 6148, Durban, 4000)

#### **Transfer Secretaries**

Computershare Investor Services (Pty) Ltd  
70 Marshall Street  
Johannesburg  
2001  
(PO Box 61051, Marshalltown, 2107)

**SANTOVA LOGISTICS LIMITED**

(Incorporated in the Republic of South Africa)  
(Registration number 1998/018118/06)  
Share code on JSE: SNV ISIN: ZAE000159711  
("Santova Logistics" or "the Company")

**FORM OF PROXY**

For use of shareholders who

- are registered as such on the Record date, Friday, 30 September 2011, and who have not dematerialised their shares; or
- hold dematerialised shares in their own name,

at the general meeting of shareholders of the Company to be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban at 10:00 on Thursday, 6 October 2011.

Beneficial owners who have dematerialised their shares through a CSDP or stockbroker, other than those in own name must provide the CSDP or stockbroker with their voting instructions. Alternatively, they must request the CSDP or stockbroker to provide them with a letter of representation should they wish to attend the meeting in person in terms of the custody agreement entered into between the beneficial owner and the CSDP or stockbroker.

I/We (FULL NAME IN BLOCK LETTERS please)

of (address)

Telephone work

Telephone home

Being the holder/custodian of  ordinary shares in the Company, hereby appoint

1.  of  or, failing him/her,

2.  of  or, failing him/her,

3.  the Chairman of the meeting

as my/our proxy to attend and vote on my/our behalf at the general meeting of shareholders of the Company held for purposes of considering and, if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against the resolutions and/or abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see notes on the reverse of this page):

	Number of shares		
	In favour of	Against	Abstain
<b>Special resolution number 1</b> <b>Approval of specific share repurchase and the granting of a put option</b>			
<b>Ordinary resolution number 1</b> <b>Approval of the odd lot offer</b>			
<b>Special resolution number 2</b> <b>Approval of specific offer to shareholders holding more than 3 300 but less than 10 000 shares</b>			
<b>Special resolution number 3</b> <b>Approval of the consolidation of the share capital</b>			
<b>Special resolution number 4</b> <b>Authority to convert par value shares to shares of no par value</b>			
<b>Special resolution Number 5: Authority to increase the authorised share capital</b>			
<b>Special resolution number 6</b> <b>Authority to change the name of the Company</b>			
<b>Special resolution number 7</b> <b>General authority to give inter-company loans and financial assistance</b>			
<b>Ordinary resolution number 2</b> <b>Authority to execute requisite documentation</b>			

Signed at  on this  day of  2011

Signature(s)

Assisted by (where applicable) (state capacity and full name)

Full name and capacity

**Please read the notes on the reverse side hereof.**

## **SUMMARY OF RIGHTS CONTAINED IN SECTION 58 OF THE COMPANIES ACT**

1. A shareholder of a company may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
2. A proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy (see note 9 of the notes to the Form of Proxy);
3. Irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 8 of the notes to the Form of Proxy);
4. Any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
5. If an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the relevant company; and
6. A proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise (see note 2).

## **NOTES TO THE FORM OF PROXY**

1. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space(s) provided, with or without deleting "the Chairman of the meeting"; but any such deletion must be signed in full by the shareholder. The person whose name appears first on the Form of Proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of ordinary shares to be voted on behalf of that member in the appropriate box provided. Failure to comply with the above will be deemed to authorise the Chairman of the general meeting, if he is the authorised proxy, to vote in favour of the resolutions at the general meeting, or any other proxy to vote or to abstain from voting at the general meeting as he deems fit, in respect of all the ordinary shares concerned. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or his proxy, but the total of the votes cast and in respect whereof abstentions are recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.
3. When there are joint registered holders of any shares, any one of such persons may vote at the meeting in respect of such shares as if he is solely entitled thereto, but, if more than one of such joint holders be present or represented at any meeting, that one of the said persons whose stands first in the register in respect of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member, in whose name any shares stand, shall be deemed joint shareholders thereof.
4. Every shareholder present in person or by proxy shall, on a poll, have one vote for every ordinary share held, whereas on a show of hands, shareholders present in person, by proxy or by authorised representative shall have one vote each.
5. Forms of Proxy must be completed and returned to be received by the Transfer Secretaries of the Company, Computershare Investor Services (Pty) Ltd, 7<sup>th</sup> Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by not later than 10:00 on Tuesday, 4 October 2011.
6. Any alteration or correction made to this Form of Proxy must be signed in full by the signatory/ies and not initialled.
7. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity must be attached to this Form of Proxy unless previously recorded by the Company's Transfer Secretaries or waived by the Chairman of the general meeting.
8. The completion and lodging of this Form of Proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Any proxy appointed pursuant to this Form of Proxy may not delegate his/her authority to act on behalf of the relevant Shareholder

**Beneficial owners who have dematerialised their shares through a Central Securities Depository Participant ("CSDP") or stockbroker, other than those in own name, must provide the CSDP or stockbroker with their voting instruction. Alternatively, they must request the CSDP or stockbroker to provide them with a letter of representation should they wish to attend the meeting in person in terms of the custody agreement entered into between the beneficial owner and the CSDP or stockbroker.**



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### ODD LOT OFFER FORM *For use by holders holding 3 301 shares or less*

Please read the instructions overleaf. Non-compliance with these instructions may result in the rejection of this form. If you are in any doubt as to how to complete this form, please consult your stockbroker, banker, attorneys, accountant or other professional advisor.

Shareholders who hold less than 3301 shares and who hold a share certificate in respect of their ordinary shares and who do not complete and return this form of election and surrender by 10:00 on Friday, 21 October 2011 should note that their ordinary shares will be repurchased by Santova Logistics without any further action on their part and without any further notice to them. However, until such shareholders have submitted a claim to Computershare by completing this form, the money owing to them will be held on their behalf in an unclaimed funds account.

Indicate if you would like to keep your shares by means of an "X"

Please complete Part 1. If you do not provide bank account details, payment will be made by cheque, which will be sent to the postal address provided below – use respective section of Part 2. Where no postal address is given or such address is incomplete, payment will be posted to your address contained in the share register of Santova Logistics on Monday, 24 October 2011. **In terms of the special resolution passed at the annual general meeting dated 26 July 2011, cheques will not be issued, for security reasons, for any amounts below R50.00. Shareholders who want to collect the funds from the Company in person must inform the Company of their intention to do so in writing.**

#### PART 1 – To be completed by shareholders who wish to receive payment directly into their bank account.

I would like to sell my shares. Please pay the cash owing to me by electronic funds transfer to the following bank account: (certified copies of the bank statement and identification Document must be attached to the form of instruction when payment via electronic funds transfer is requested and same has not been submitted to the transfer secretaries to date).

	Banking details
Account holder	
Bank name	
Account number	
Bank branch	
Branch code	

#### PART 2 – EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA who wish to sell their shares, must complete this section.

Name of authorised dealer	Stamp and address of agent lodging this form (if any)
Address	
Account number	
Certificate number	
Number of shares	
Signature	



**Notes:**

1. This form is to be used by odd lot shareholders who have not dematerialised their ordinary shares and who hold less than 3 301 ordinary shares at the close of business on Friday, 21 October 2011.
2. Shareholders will have payments for the proceeds of their holdings processed in the manner set out in paragraph 3.6 of the offer documents, on or about Monday, 24 October 2011, or within five business days after they have submitted their claim, whichever is the later.
3. If this Odd Lot Offer Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy therefore, must be sent with this Odd Lot Offer Form for noting (unless it has already been noted by Santova Logistics or Computershare Investor Services (Pty) Limited ("Computershare")).
4. Where the shareholder is a company or a close corporation, unless it has already been registered with Santova Logistics or Computershare, a certified copy of the directors' or members' resolution authorising the signing of this Odd Lot Offer Form must be submitted, if so requested by Santova Logistics.
5. Where there are joint shareholders of any ordinary shares, only that shareholder whose name appears first in the register in respect of such shares need sign this Odd Lot Offer Form.
6. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE Limited, lodging agents are required to prepare special transaction receipts.
7. The directors of Santova Logistics retain the right to accept or reject any Odd Lot Offer Form where the odd lot shareholder has not completed all the required information or has not delivered all the required documents to Computershare.



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### SPECIFIC OFFER ACCEPTANCE FORM

*For use by holders holding 10 000 shares or less*

**Please read the instructions overleaf. Non-compliance with these instructions may result in the rejection of this form. If you are in any doubt as to how to complete this form, please consult your stockbroker, banker, attorneys, accountant or other professional advisor.**

**Shareholders who hold a share certificate in respect of their ordinary shares and who do not complete and return this Form of Election and Surrender, having ticked Option A below, by 10:00 on Friday, 21 October 2011 should note that their ordinary shares will NOT be repurchased by Santova Logistics Limited ("Santova Logistics").**

Indicate your choice by means of an "X":

**OPTION A**  I would like to sell my shares at 10 cents per share.

**OPTION B**  I would like to keep my holding.

**If OPTION A is chosen:**

Please complete Part 1. If you do not provide bank account details, payment will be made by cheque, which will be sent to the postal address provided below – use respective section of Part 2. Where no postal address is given or such address is incomplete, payment will be posted to your address contained in the share register of Santova Logistics on Monday, 24 October 2011.

**PART 1 – To be completed by shareholders who WISH TO SELL THEIR SHAREHOLDING.**

I would like to sell my shares. Please pay the cash owing to me by electronic funds transfer to the following bank account: (certified copies of the bank statement and identification Document must be attached to the form of instruction when payment via electronic funds transfer is requested and same has not been submitted to the transfer secretaries to date).

	Banking details
<b>Account holder</b>	
<b>Bank name</b>	
<b>Account number</b>	
<b>Bank branch</b>	
<b>Branch code</b>	

**PART 2 – EMIGRANTS FROM OR NON-RESIDENTS OF THE COMMON MONETARY AREA who wish to sell their shares, must complete this section.**

Name of authorised dealer	<b>Stamp and address of agent lodging this form (if any)</b>
Address	
Account number	
Certificate number	
Number of shares	
Signature	Date

**Notes:**

1. This form is to be used by specific offer shareholders who have not dematerialised their ordinary shares and who wish to sell their holdings or retain their holdings, in terms of the specific offer and who are registered as such at the close of business on Friday, 14 October 2011.
2. Shareholders who have chosen **OPTION A** will have payments for the proceeds of their holdings processed in the manner set out in paragraph 3.6 of the offer documents, on or about Monday, 24 October 2011, or within five business days after they have submitted their claim, whichever is the later.
3. If this Specific Offer Acceptance Form is signed under a power of attorney, then such power of attorney, or a notarially certified copy therefore, must be sent with this Specific Offer Acceptance Form for noting (unless it has already been noted by Santova Logistics or Computershare Investor Services (Pty) Limited ("Computershare")).
4. Where the shareholder is a company or a close corporation, unless it has already been registered with Santova Logistics or Computershare, a certified copy of the directors' or members' resolution authorising the signing of this Specific Offer Acceptance Form must be submitted if so requested by Santova Logistics.
5. Where there are joint shareholders of any ordinary shares, only that shareholder whose name appears first in the register in respect of such shares need sign this Specific Offer Acceptance Form.
6. No receipts will be issued for documents lodged, unless specifically requested. In compliance with the requirements of the JSE Limited, lodging agents are required to prepare special transaction receipts.
7. The Directors of Santova Logistics retain the right to accept or reject any Specific Offer Acceptance Form where the specific offer shareholder has not completed all the required information or has not delivered all the required documents to Computershare.



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**Please read the instructions overleaf. Non-compliance with these instructions may result in the rejection of this form. If you are in any doubt as to how to complete this form, please consult your stockbroker, banker, attorneys, accountant or other professional advisor.**

**Note:** A separate form is required for each shareholder.

### FORM OF SURRENDER

**(Only for use by all remaining certificated shareholders, including those who have not accepted the odd lot specific offer)**

#### TO BE COMPLETED BY SANTOVA LOGISTICS SHAREHOLDERS

I/We hereby surrender and enclose the Santova Logistics ordinary share certificate(s) listed below:

Certificate number(s)	Number of Santova Logistics shares covered by each certificate
<b>Total</b>	

I/We irrevocably and *in rem suam* authorise you to produce the signature of such documents that may be necessary to complete the replacement of the Santova Logistics ordinary shares with shares in the new name of Santova Limited.

I/We hereby instruct you to forward the replacement share certificate/s to me/us, by registered post, at my/our own risk, to the address below and confirm that, where no address is specified, the share certificate/s may be forwarded to my/our address recorded in the share register of Santova Logistics.

My/our signature(s) on the Form of Surrender constitutes my/our execution of this instruction.

Signature of shareholder		
Assisted by (where applicable)		
Name	Capacity	Signature
The shareholder must complete the following information in BLOCK LETTERS:	Date	2011
Surname or Name of corporate body		
First names (in full, if applicable)		
Title (Mr, Mrs, Miss, Ms, etc.)		
Postal address (preferably PO Box address)		
Telephone number including area code (office hours)		
Cellphone number		

**INSTRUCTIONS:**

1. A receipt will not be issued for this Form of Surrender, or the documents lodged with it. Lodging agents who require special transaction receipts are requested to prepare such receipts and submit them for stamping with the other documents lodged.
2. A shareholder married in community of property or a minor must ensure this Form of Surrender is also signed by his/her spouse or parent or guardian, as the case may be.
3. Where Santova Logistics ordinary shares are jointly held, this form must be signed by the joint holders.
4. If this form is signed under power of attorney, such power of attorney must be produced, unless it has already been registered with the transfer office of Santova Logistics.
5. If this form is signed on behalf of a company, close corporation, pension or provident fund, it must be accompanied by a certified copy of the resolution authorising the signature, unless it has already been registered with the transfer office of Santova Logistics.



