Innovative Solutions. *Endless* Possibilities.

Annual Integrated Report February 2015

Santova Limited

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ABOUT THIS REPORT

This Annual Integrated Report has been produced to present an integrated overview of the economic, environmental, social and governance performance of the Group for the year, thereby enabling stakeholders to assess the Group's ability to create long-term sustainable value.

Representing another step on our journey towards effective integrated reporting, the report is a reflection of our commitment to the highest levels of corporate governance and transparency in reporting. This is achieved through a report that offers stakeholders an insight into the Group's business model, strategies and cultures and values, as well as providing key operating and financial information, executive commentaries and relevant governance and risk reports in an open and balanced manner.

The report covers the performance of the Group and its subsidiaries for the year ended 28 February 2015, which offer integrated end-to-end logistics services and supply chain management capabilities to clients, as well as specialised financial services through operations across four continents.

This report builds on, and is comparable to, the Group's Annual Integrated Reports for the 2013 and 2014 reporting periods and must be read together with the audited 2015 Group annual financial statements and the full Sustainability Report which can be found on the Group's website at **www.santova.com**

REPORTING STANDARDS AND ASSURANCE

The report has been prepared in accordance with the fundamental concepts, guiding principles and content elements of the International <IR> Framework issued by the International Reporting Council. As such, the report focuses only on those material aspects which have the potential to substantially impact on the Group's ability to create and sustain value for its stakeholders.

There have been no significant changes to the measurement methods for key economic, social and environmental data between this report and the report covering the previous year.

In addition, the following applicable legislative and regulatory requirements for reporting has been adhered to, including:

- the Companies Act 2008 and the Companies Regulations 2011;
- the Listings Requirements of the JSE Limited;
- the requirements of King III; and
- the Integrated Reporting and Assurance Services' (IRAS) Sustainability Data Transparency Index (SDTI).

Assurance in relation to our annual financial statements has been provided by the independent external auditors, Deloitte & Touche. Other sections of the report, such as B-BBEE disclosures, have been audited by relevant accredited external verification entities.

SUSTAINABILITY

The report contains an executive summary of the full 2015 Sustainability Report which can be found on the Group's website at **www.santova.com**. The 2015 Sustainability Report contains detailed commentary and statistics highlighting the Group's sustainability initiatives and achievements in the areas of human capital, social responsibility and investment, health, safety, quality and the environment.

The Group is committed to high levels of transparency in respect of reporting sustainability issues and this is evidenced by the Group having achieved the highest overall SDTI score of all 311 JSE listed companies in 2014, as determined and awarded by IRAS, an independent integrated reporting and assurance consultancy.

The sustainability aspects of the report have not been externally assured as management do not believe they can justify the cost of such assurance considering the nature of the Group's operations, its current size and the quality and extent of sustainability data published by the Group.

APPROVAL OF THE ANNUAL INTEGRATED REPORT

The Audit and Risk Committee has oversight for integrated reporting and for the preparation of the Annual Integrated Report. The committee confirms the report fairly presents the integrated performance of the Group and recommended the report for approval by the Board of Directors. The Board approved the Annual Integrated Report for release to stakeholders on 14 May 2015.

GH Gerber
Chief Executive Officer

DC Edley
Group Financial Director

NAVIGATIONAL ICON

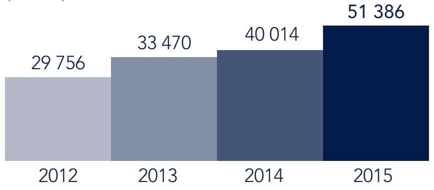
Additional information available on **www.santova.com**

GROUP HIGHLIGHTS

INCREASE IN PROFIT BEFORE TAX

28,4%

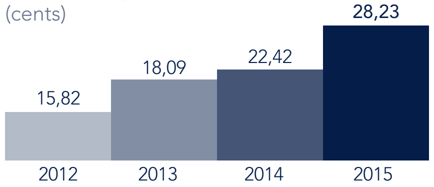
Profit before taxation
(R'000)



INCREASE IN BASIC EARNINGS PER SHARE

25,9%

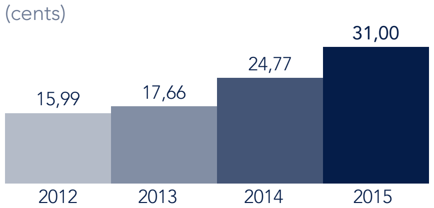
Basic earnings per share
(cents)



INCREASE IN HEADLINE EARNINGS PER SHARE

25,2%

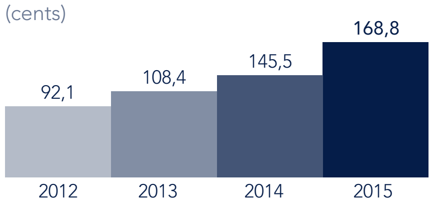
Headline earnings per share
(cents)



INCREASE IN NET ASSET VALUE PER SHARE

16,0%

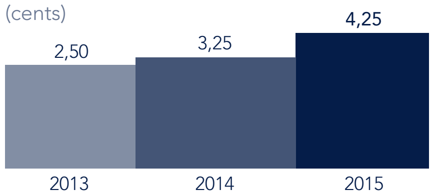
Net asset value per share
(cents)



INCREASE IN ORDINARY DIVIDEND

30,8%

Dividend per share
(cents)



BUSINESS MODEL

Santova is a specialist non-asset-based supply chain management service provider of innovative end-to-end global trade solutions, operating from offices throughout South Africa and internationally in Australia, Germany, Netherlands, United Kingdom and Hong Kong.

VISION
To be a recognised brand in global trade solutions through strategic international offices and leading intellectual capital.

PURPOSE
Enabling clients to achieve competitive advantage through innovative global supply chain solutions.

KEY DIFFERENTIATORS

In pursuit of this vision the Group has followed a strategy to develop and continually invest in key differentiators that set it apart from its competitors by adding meaningful value to the supply chains of our customers.

- **An intelligent differentiated logistics strategy that:**
  - Is unique and customer centric in terms of system, process and operational integration
  - Assumes responsibility for the entire supply chain, from supplier/source to the point of consumption/consumer
  - Is non-asset-based allowing for total flexibility, directly driven by customer requirements, instead of by internal capability

- **An international infrastructure that provides:**
  - International end-to-end supply chain services across customers' primary trade flow routes
  - Local representation in key trade centres enabling seamless solutions to customers and ensuring accountability and responsiveness
  - Geographical and multicurrency diversification that hedges local currency variability
  - The ability to duplicate logistics revenue streams at both ends of the supply chain whilst being cost and service competitive

- **Specialist in-house supply chain intellectual capacity that:**
  - Provides customers with access to world class supply chain solutions and systems
  - Adds significant value to customers through supply chain optimisation
  - Also ensures a high level of customer loyalty and retention

- **Offering customers virtual Supply Chain Management through use of intelligent in-house developed information management systems that:**
  - Interface with customer systems to ensure seamless and accurate information flow
  - Provide customers with web-based control, visibility and accurate real time information
  - Ensure a high level of customer retention by playing a pro-active role in assisting customers to manage their supply chains

Innovative Solutions. Endless Possibilities.

Santova is an integrator that assembles the intellectual capital and technology of the Group, together with the logistics, resources and capabilities of specialised external logistics providers, to design, develop and execute comprehensive supply chain solutions for customers.

SANTOVA LIMITED

The Group's holding company, listed on the JSE and headquartered in South Africa:

- Corporate head office and centralised administration services
- Supply Chain Solutions Division

Principal activities and markets

The principal operating divisions and markets in which the Group operates are as follows:

LOGISTICS SERVICES

The transportation of cargo, parcels and documents on behalf of customers from source to destination via road, rail, air and sea freight:

South Africa
- Santova Logistics
- Santova Express

United Kingdom
- Santova Logistics
- W.M. Shipping

Netherlands
- Santova Logistics

Hong Kong
- Santova Logistics

Australia
- Santova Logistics

Germany
- Masterfreight Internationale Spedition

China
- Santova Patent Logistics Joint Venture Partner

FINANCIAL SERVICES

Provision of short-term insurance products, primarily marine, commercial and domestic asset insurance:

- South Africa
  – Santova Financial Services

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

Santova operates in highly competitive markets both regionally and internationally, competing across multiple levels in various sectors:

Regional Third Party Logistics Providers ("3PL"):

- Principally local/regional asset-based forwarding and clearing agents
- Entities who typically don't have an international infrastructure and utilise offshore agents
- Entities whose customer base is usually local, small to medium sized corporates
- Business models are traditionally one dimensional and event-based with low value add and little to no barriers to entry
- Usually members of a local freight forwarding association

International 3PL Fourth Party Logistics Providers ("4PL"):

- Principally large multinational logistics providers with extensive global infrastructure and a listing on a major international stock exchange
- Customer base is usually made up of other large multinational corporations
- Business models are intelligent, value adding processes with significant barriers to entry
- Businesses are still predominately asset-based owning less significant transportation assets and less warehouse facilities

Supply Chain Consulting Organisations

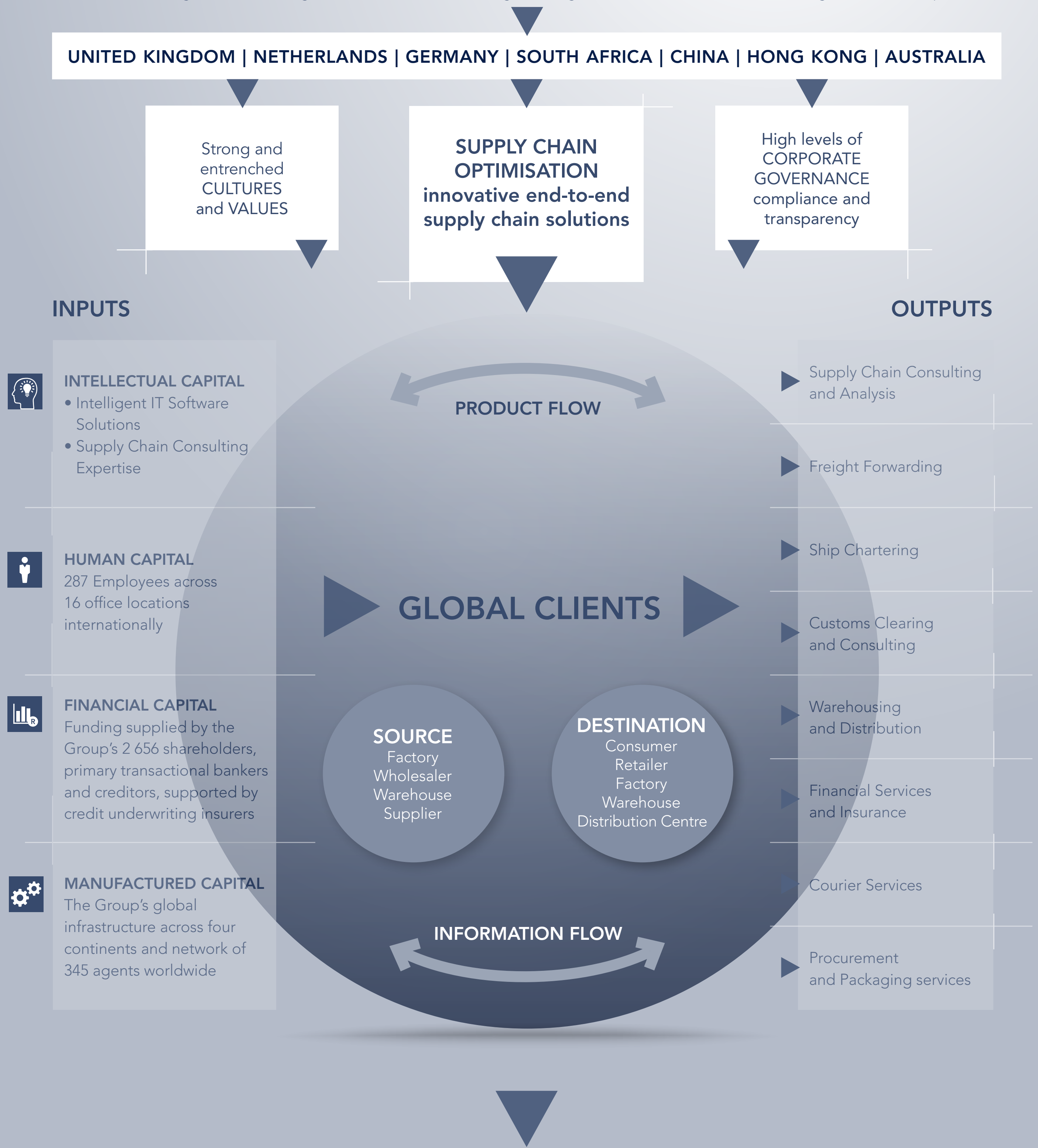
- Standalone specialist supply chain consulting organisations that seek to consult and generate revenue on a project and time basis from large corporations
- Can be privately owned or alternatively a separate operating division within a large diverse transportation entity
- These consulting businesses are typically non-asset based and do not supply traditional forwarding and clearing services

The JSE Transportation Sector

- Santova is listed on the Johannesburg Stock Exchange in the transportation sector and within the marine transportation sub-sector
- By virtue of being listed the Group is typically compared to the other organisations within this sector
- Being public companies the published information from these entities provides some useful comparative information, however meaningful comparison to this sector is difficult due to:
  – Santova's comparative size
  – The fact that most of the other organisations in the sector have different business models and
  – They are typically very large diverse asset-based entities.

VISION

To be a recognised brand in global trade solutions through strategic international offices and leading intellectual capital



PURPOSE

Enabling clients to achieve a competitive advantage through innovative global supply chain solutions

INPUTS

In implementing its strategy as a non-asset-based logistics solutions provider, Santova makes use of four of the six types of capitals as its primary inputs into the value adding process. These are:

INTELLECTUAL CAPITAL
The Group's in-house developed IT capabilities and software that interface with customers' systems and provide meaningful management information for supply chains

HUMAN CAPITAL
The specialist logistics knowledge and experience held by the Group employees primarily in Supply Chain Management and Clearing and Forwarding

FINANCIAL CAPITAL
The funding supplied by the Group's shareholders, primary bankers and creditors together with the credit underwriting of customers supplied by the Group's insurers, which allows Santova to invest in and fund the working capital requirements of its global logistics operations

MANUFACTURED CAPITAL
The Group's global infrastructure of offices and equipment in the major centres at each end of customers' main supply routes.

OUTPUTS

The key products and services that are the outputs of the Group strategy and the use of its capitals are:

- Supply Chain Consulting and Analysis
- Freight Forwarding
- Ship Chartering
- Customs Clearing and Consulting
- Warehousing and Distribution through selected Service Providers
- Financial Services and Insurance
- IT Systems Development and Integration
- Procurement and Packaging services
- Courier Services

OUTCOMES

The core outcomes that the Group seeks to attain through its business model and the outputs created are:

INTERNAL

- Sustainable growth in profitability and positive cash flows
- Continual investment and development in the Group's key differentiators, primarily its supply chain consultancy expertise, technology offering and global infrastructure
- Building the Group 'employment brand' to recruit, develop and retain appropriately skilled and experienced talent
- Good corporate citizenship through regulatory compliance and effective corporate governance

EXTERNAL

- Customer satisfaction and retention through use of cutting edge technology and supply chain optimisation solutions, providing direct time and cost savings
- Growing brand recognition and reputation within the market
- Long-term shareholder wealth creation through creating investor awareness and consistent returns via dividends and share price growth

SANTOVA CULTURES AND VALUES

The Group's Cultures and Values are core to our existence and provide the value system and boundaries within which the Group operates. These Cultures and Values are actively 'lived' and promoted daily by management so as to ensure that they set the moral and ethical tone of the Group and they define how we operate and interact with stakeholders.

To reinforce this, the Board and all employees are contractually bound to these Cultures and Values when joining the Group. Thereafter, through constant reinforcement, management ensures that this sound value system is consistently applied and that strategic decision making, performance management, human resources processes and all actions and choices in general are judged and measured against these standards.

CULTURE

Our culture is one of a leading entrepreneurial 'spirit' which is closely followed by levels of bureaucracy necessary to manage or curtail the risks that typically accompany a highly entrepreneurial climate. In the case that there are deviations or transgressions from our expectations and values our fall back will be to autocracy to restore the status quo.

VALUES

Accountability

- Responsible for actions and decisions
- Using Initiative
- Self-disciplined
- Setting and meeting high standards

Integrity

- Open, honest and transparent
- Ethical and moral behaviour
- Respecting confidentiality
- Honourable and trustworthy

Team Spirit

- Willing participation
- Supporting and helpful
- Adaptable and flexible
- Co-operative attitude

Innovation

- Creative solutions and ideas
- Challenging and embracing change
- Forward thinking

Passion

- Enthusiastic and self-motivated
- Positive attitude and energy
- Tenacious commitment
- Competitive spirit

GROUP OPERATIONAL STRUCTURE

SANTOVA LOGISTICS
(UNITED KINGDOM)
ESSEX
HEATHROW

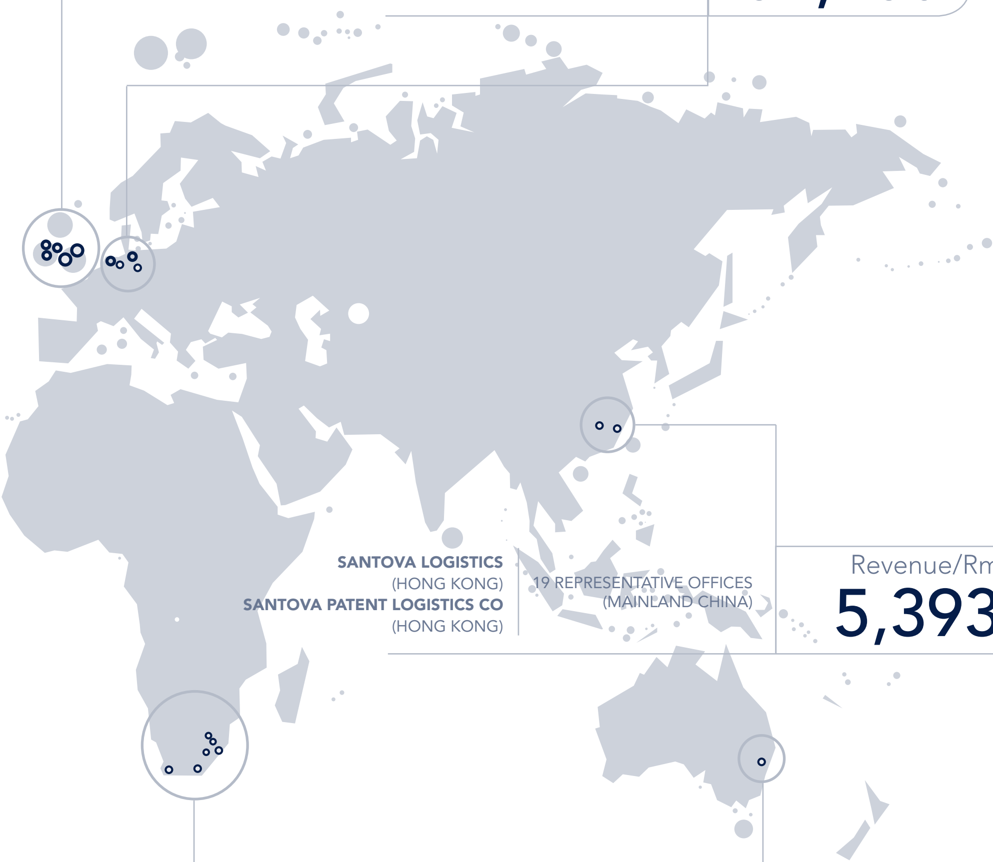
W.M. SHIPPING
(UNITED KINGDOM)
BIRMINGHAM
BRISTOL
FELIXSTOWE

Revenue/Rm
32,590

SANTOVA B.V.
(NETHERLANDS)
SCHIPHOL
ROTTERDAM

MASTERFREIGHT INTERNATIONALE SPEDITION
(GERMANY)
FRANKFURT
HAMBURG

Revenue/Rm
37,235



SANTOVA LOGISTICS
(HONG KONG)
SANTOVA PATENT LOGISTICS CO
(HONG KONG)
19 REPRESENTATIVE OFFICES
(MAINLAND CHINA)

Revenue/Rm
5,393

SANTOVA LOGISTICS
(AUSTRALIA)
SYDNEY

Revenue/Rm
16,578

SANTOVA LOGISTICS
(SOUTH AFRICA)
SANTOVA FINANCIAL SERVICES
(SOUTH AFRICA)
SANTOVA EXPRESS
(SOUTH AFRICA)
SUPPLY CHAIN MANAGEMENT SERVICES
(SOUTH AFRICA)
PIETERMARITZBURG
PORT ELIZABETH
JOHANNESBURG
DURBAN
CAPE TOWN

Revenue/Rm
145,237

VALUE ADDED STATEMENT

Consistent long-term value creation and distribution to all stakeholders is essential for economic sustainability. Value creation for Santova is the process of converting goods and services obtained from its suppliers and agents into billable revenue collected from clients, thereby creating wealth available for distribution to its stakeholders.

The value added statement below shows the wealth created and distributed to key stakeholders during the period under review. The value added statement has been presented on two bases:

- the billings basis based on total billings invoiced to clients in the capacity as an agent for those clients; and
- the revenue basis based on purely that portion of the billings that is direct revenue earned by the Group.

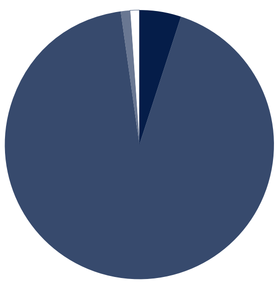
The billings basis highlights the extent to which the Group acts as an agent for the revenue authorities in the collection of customs VAT, taxes and duties, in that 92% or R2,34 billion of the wealth created is distributed to government and regulators.

The revenue basis highlights the Group's non-asset-based operating model and demonstrates the key role that the Group's employees play in implementing its vision and strategy. The Group's employees are the key beneficiaries of the direct revenues generated by the Group, receiving 57% or R120 million of the value created.

VALUE ADDED STATEMENT for the year ended 28 February

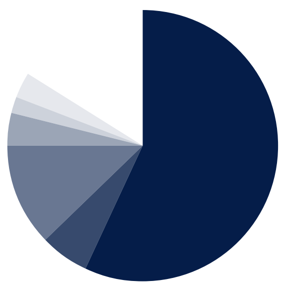
	2015				2014			
	Billings basis R'000	%	Revenue basis R'000	%	Billings basis R'000	%	Revenue basis R'000	%
Billings to clients	**3 482 051**		**n/a**		3 235 723		n/a	
Revenue from clients	**n/a**		**256 292**		n/a		228 561	
Paid to suppliers and agents	**944 171**		**45 615**		860 688		41 329	
Value created	**2 537 880**		**210 677**		2 375 035		187 232	
Value distributed								
Employees	**119 945**	**5**	**119 945**	**57**	111 279	5	111 279	59
Government/regulators	**2 339 709**	**92**	**12 506**	**6**	2 197 474	93	9 671	5
Financial institutions	**24 793**	**1**	**24 793**	**12**	20 723	1	20 723	11
IT service providers	**8 049**	**–**	**8 049**	**4**	7 092	–	7 092	4
Shareholders	**4 435**	**–**	**4 435**	**2**	3 411	–	3 411	2
Asset replacement	**6 164**	**–**	**6 164**	**3**	7 681	–	7 681	4
Profits retained for future	**34 785**	**2**	**34 785**	**16**	27 375	1	27 375	15
	2 537 880	**100**	**210 677**	**100**	2 375 035	100	187 232	100
Value distributed to/on:								
Asset replacement								
– Research and development on intellectual property	**1 771**		**1 771**		1 653		1 653	
Spend with historically disadvantaged South African suppliers								
– Black-owned and black women-owned	**n/a**		**2 761**		n/a		4 602	
– BEE compliant	**n/a**		**55 737**		n/a		40 770	

2015 VALUE DISTRIBUTED: **BILLINGS BASIS**



Employees	5
Government/regulators	92
Financial institutions	1
IT service providers	–
Shareholders	–
Asset replacement	–
Profits retained	2

2015 VALUE DISTRIBUTED: **REVENUE BASIS**



Employees	57
Government/regulators	6
Financial institutions	12
IT service providers	4
Shareholders	2
Asset replacement	3
Profits retained	16

STAKEHOLDER ENGAGEMENT

The Group recognises that, in building a sustainable business model, long term mutually beneficial relationships with all stakeholders are paramount. The Group therefore follows a strategy of proactive engagement with all stakeholders to ensure that their needs are satisfied, and that value is created, for all parties concerned. The following table identifies who the Group's key stakeholders are, what matters to them and how we engage with them:

Stakeholders		Who are our stakeholders?
Clients 3 208	value of R3 482million	Corporate entities of varying size across diverse industry sectors that are primarily manufacturers and retailers, either utilising foreign sourced products or exporting products to foreign customers.
Suppliers 2 105	value of R944million	A preferred panel of established and specialised service providers across the world, utilised to convey customers' products from source to destination.
Agents 345		A preferred panel of established forwarding and clearing agents in jurisdictions where the Group does not have a physical presence, utilised to arrange the transport of clients' products across certain sectors of the supply chain.
Employees 287	value of R120million	Individuals of varying nationalities, qualifications and experience employed across the Group to service customers and add value for all stakeholders.
Shareholders 2 656	value of R39million	Providers of share capital and primary risk-takers within the business.
Government/ Regulators 39	value of R2 340million	Various regulatory bodies and industry associations within each jurisdiction that our companies operate, who ensure that the company adheres to all applicable laws, regulations and corporate governance – specifically Revenue Authorities and shipping-related regulators.
Financial Institutions – Bankers 11	value of R18,8million	The Group's primary transactional bankers who provide working capital, foreign exchange services and general transactional banking facilities.
Financial Institutions – Credit Underwriters 2	value of R6million	Credit underwriters who provide insurance cover against the outstanding financial indebtedness of clients, in order to manage credit risk and secure the sourcing of working capital.
IT Service Providers 40	value of R8million	Supply and support of specific logistics and insurance operational systems, together with the required data communication infrastructure. In addition the ongoing development of the Group's proprietary in-house IT systems.

What matters to them?	How do we engage with them?
Supply chain optimisation through the timeous and cost effective flow of products from source to destination, thereby meeting customer-specific service requirements and adding value.	Formal structured engagement commencing with upfront agreed and documented terms, tariffs and operating procedures. Supplemented by ongoing daily system-based and interpersonal communication across all levels within both organisations, related to specific shipping requirements.
An ongoing and commercially viable supply of shipping, transport and warehouse services.	Upfront formal service agreements followed by a daily verbally and electronically communicated procurement process that takes place between specialised teams within both organisations.
A mutually beneficial and ongoing relationship whereby both parties refer shipping instructions to each other.	Daily telephonic and electronic engagement between specialised forwarding and clearing teams within both organisations.
Career and personal development in a quality focused work environment that ensures job security and appropriate rewards for performance.	Daily formal and informal engagement through multiple channels to ensure staff receive the necessary guidance, motivation, feedback and recognition.
The generation of sustainable, above average, market related returns on their investment by the Company, together with timely, relevant, open and ongoing communication on the Company's activities and performance.	Formal published and printed communications at various times throughout the financial year via SENS announcements, annual financial statements, advertorials, company websites, at general shareholder meetings, investor presentations and management engaging with financial media.
Compliance with laws and regulations that are designed to protect stakeholders, primarily through the submission of regular statutory returns and the timely collection and payment of duties and taxes.	Highly regulated formal communication and submission of returns at specified dates as well as limited informal communication.
Stable and sound financial management of the business with ongoing profitability and regular financial updates and communication.	Regular detailed formal and informal engagement primarily through audits and annual facility reviews, in an open and honest manner, to ensure a high level of trust exists.
To ensure the quality of the asset insured is strictly controlled within predefined parameters, ensuring low loss ratios.	Regular and very structured engagement commencing with upfront credit assessments of clients and facility limits being agreed – followed by ongoing reporting of clients' trading levels and payment history.
The delivery of appropriate IT products services that meet Group strategic and client-specific needs.	Up-front formally agreed and documented service agreements, followed by regular feedback and monitoring of service delivery.

The Santova Board of Directors remains committed to sustainability and the reporting of its sustainability performance to all stakeholders in an open, honest and transparent manner. In this regard, we are proud to confirm that at the IRAS (Integrated Reporting & Assurance Services) Sustainability Data Transparency Index, Review of Environment, Social and Governance Reporting in South Africa, held at the JSE on 25 September 2014, Santova achieved:

- The most improved Sustainability Data Transparency Index ("SDTI") score in 2014;
- The highest SDTI score in the Transportation Sector on the JSE; and
- The highest overall SDTI score in 2014 across all 311 JSE listed companies reports included in the current year's survey.

Santova's 2014 Annual Integrated Report achieved a SDTI score of 82,43% which not only placed it in first position on the JSE but also one of only four listed companies achieving a SDTI score in excess of 80% in the 2014 survey.

The full Santova Sustainability Report for 2015 can be found on the Company's website **www.santova.com** under the "Investor Information" tab.

As a non-asset-based supply chain management business the Group's employees are the key stakeholders in the implementation of its vision and strategies for long-term sustainability. This is demonstrated by the fact that they are the recipients of 57% of the wealth created on a revenue basis by the Group, as can be seen in the Value Added statement. An extract taken from the Human Capital section of the full 2015 report contained on the website is set out below:

HUMAN CAPITAL

The Group Human Resources Department, based at the Santova Head Office, manages the human capital element for the Group with the assistance of all business unit leaders worldwide. The Group Human Resources Department also calls upon a network of professional specialist suppliers, where required.

Internationally, the Department handles the role of general employee management and labour process management and it is expected that this will extend to recruitment and personal development management (performance appraisals) in the coming financial year. In South Africa, the Department manages payroll, medical aid, retirement planning, wellness, training and development as well as aspects of employment equity, broad-based black economic empowerment and sustainability.

Santova, under the leadership of the Group Human Resources Committee, promotes employee wellness throughout the Group. Whilst the international entities are encouraged to promote wellness in any way realistically possible for the size of their office complements, in South Africa this important area is driven principally through the formal employee wellness days.

Training and skills development are important to Santova as they are the core elements to growing the quality of the Company's human capital. Enhancing the skills, capabilities and knowledge of employees is an ongoing requirement which is not only a tool to drive performance, but also contributes to employee wellness and our employment brand. In addition, it provides support to our culture and values philosophy.

In South Africa, training and skills development are overseen by the Skills Development and Employment Equity Committee, whilst the employees who manage the day to day tasks form part of the Group Human Resources Department. Internationally, responsibility for training and skills development falls under the mandate of the business unit leaders, with support provided by the Group Human Resources Department which monitors the international progress in this area.

The Santova Learnership Programme is a structured one year outcomes-based learning programme for gaining theoretical knowledge and practical skills in the workplace resulting in a registered National Qualifications Framework ("NQF") qualification. This South African programme is aimed predominantly at previously disadvantaged school leavers and young adults. Candidates receive the training from two sources:

- a formal online training curriculum in clearing and forwarding or insurance provided by specialist service providers; and
- on-the-job training where candidates are rotated through departments on a quarterly basis.

The Group Induction Training and Development ("ITD") Programme (launched in April 2013) is a programme which was created to address the shortage of highly skilled university graduates in our industry. Graduates are selected after a lengthy interview process and are permanently employed while being intensively trained and mentored. Training takes place over a two year period and graduates are then placed in meaningful roles across the Group. In the 2014 report, we advised that three graduates had been identified and inducted into this select programme. We are pleased to advise that the programme swelled to seven graduates during the last financial year, with two of these graduates being the first to complete the programme shortly before the end of the financial year.

The full Santova Sustainability Report for 2015 (found on the Company's website) must be read in conjunction with the Value Added Statement on page 12 of this Annual Integrated Report, as well as in conjunction with the Annual Integrated Report as a whole, in order to gain a complete understanding of the sustainability efforts and developments of the Group.

FULL REPORT CONTENT

The content of the full report covers the following topics:

HUMAN CAPITAL
The Group Human Resources Department
Statistics on Employees
The Group Head Count 2014 and 2015 and Commentary

Wellness
The Wellness Report for 2015

Training and skills development
Management and Responsibility
The Source of Training Needs
Training Statistics and Commentary

Learnership programmes
The Santova Learnership Programme Courses
Learnership Statistics and Commentary

Graduate programmes
The Report on the Graduate Programmes for 2015

SOCIAL RESPONSIBILITY AND INVESTMENT
Employment equity
Employment Equity Statistics and Commentary
Race and Gender Tables and Commentary

Broad-based black economic empowerment ("B-BBEE")
The B-BBEE Report for 2015 containing a discussion on each South African entity
The Enterprise Development Initiatives for 2015

Corporate social investment
Statistics on CSI/SED for 2015 and Commentary

HEALTH, SAFETY, ENVIRONMENT AND QUALITY
Health and safety
Statistics for Health and Safety for 2015 and Commentary

HIV/AIDS and other life threatening diseases
The HIV/AIDS, Life Threatening and Notifiable Diseases Policy
HIV/AIDS Statistics

Environment
The Group's Environmental Policy
Statistics on Electricity and Water Consumption
'Green' Initiatives for 2015
Carbon Emissions Statistics

Quality
The Santova Logistics ISO Quality Management System Report for 2015

COMMENTARIES AND REVIEWS

"The 2015 financial period was a successful year for Santova with higher earnings growth and a sound return on equity."

The 2015 financial period was a successful year for Santova with higher earnings growth and a sound return on equity.

Whilst globally first world economies were striving to gain the momentum lost during the global financial crisis and the emerging economies were not as buoyant as they have been in the past, the Santova Group has yet again managed to produce consistent growth in financial results. This is despite relatively 'flat' global economic growth over the past several years, including the marginal improvement in 2014 to 2,6% from 2,5% in 2013. The sharp decline in the oil price since mid-2014 has supported global activity and helped offset some of the headwinds to growth. However, Eurozone recovery has been slow whilst China has been, and still is, undergoing a carefully managed slowdown. In so far as growth in the developing countries is concerned, 2014 reflected weak external demand, but also domestic policy tightening, political uncertainties and supply-side constraints.

In the context of these world economies, our strategic global presence and diversification in terms of geographies, currencies, industries, products and services has again served us well. Group consolidated revenue at R237,033 million and net income at R39,220 million for the year represented an improvement of 10,6% and 27,4% respectively over the prior year. This result translates into an encouraging increase in headline earnings per share (HEPS) to 31,00 cents per share, which is 25,2% up on the 2014 figure of 24,77 cents. Return on equity remained at an acceptable level of 18,3%, being slightly up on the previous year.

SOUTH AFRICA

Santova Logistics

The underlying fundamentals in the global economy do have an impact on the South African economy. However, the additional impacts of unemployment, load-shedding and industrial action have resulted in major disruptions to economic growth in South Africa in 2014. During this period, South Africa's Gross Domestic Product (GDP) grew a mere 1.5%, the slowest rate of growth since the 2009 recession.

In the context of a 'soft' South African economy, our logistics operations in South Africa have managed to retain their strong hold in the domestic market. Whilst the industry has contracted in many quarters, we have been able to grow our revenue to R134,729 million, 4,5% up on the previous year's figure of R128,926 million. What is more important, however, is that despite the intense continued pressure from under-pricing by competitors, reduced trade volumes and a weakening Rand, we have managed to retain an operating margin of 23,5%, which is not significantly down from 24,9% last year.

> Our strategic global presence and diversification in terms of geographies, currencies, industries, products and services has again served us well.

In an increasingly globalised market, South African-based companies have become more focused on seeking the intellectual capital in terms of skills, expertise and know-how that is necessary to improve efficiency and reduce landed costs, this being achieved by not only capitalising on economies of scale, but also on technology and software packages that enable 'optimised supply chain logistics'. We have also noted that companies in the local market are more than ever before focusing on re-engineering their supply chains to gain greater control and visibility which, in turn, will allow them to unlock cost saving opportunities ex-works all the way through to 'shelf'.

The fact that Santova is not a traditional clearing and forwarding business but rather a supply chain integrator delivering sophisticated logistics management solutions, places it in a very favourable position in challenging economic times. Our sophisticated software packages constitute the 'central nervous system' of our clients' supply chains and are unique in that they are unlocking 'real time' supply chain data for effective decision-making.

> The fact that Santova is not a traditional clearing and forwarding business but rather a supply chain integrator delivering sophisticated logistics management solutions, places it in a very favourable position in challenging economic times.

Santova Financial Services

This business held its own during the course of 2015 by reporting a growth in earnings of 6,1% above that of the previous year. The year proved to be a difficult one, not only for consumers, but also for most domestic-based short-term insurers. Whereas certain higher risk categories should be re-priced at rates above inflation, it is difficult to implement this without it resulting in a migration of existing clients. Competition remains strong in South Africa and the increase in the application of technology and ease of obtaining direct quotes from insurers has empowered consumers to compare quotes quickly and move to more cost effective service providers.

The Group is in the process of harnessing the full potential of our extensive logistics client base which, if effective, will yield much improved returns. The benefits of the new business written in the Gauteng region should also start to reflect in earnings in the year ahead.

UNITED KINGDOM

Our operations in the United Kingdom have encountered a challenging year, characterised mainly by the loss of a few senior clients, competitor price-cutting and slow progress on the acquisition of new clients. This has had the effect of the earnings of the UK Group of R5,765 million being 25,3% down on last year's profit of R7,722 million. Whilst the revenue line has been maintained, operating margin has been reduced by 8,6%, reflecting the additional costs incurred as a result of the increased investment made in this business.

Looking at the context within which this business is trading in the United Kingdom, the economic data reveals clear signs of a slowdown during the 2014 calendar year with manufacturing output having eased between the first and third quarters of 2014 and showing flat growth over the last quarter. Manufacturing exporters are facing many challenges in the face of weak demand in the Eurozone coupled with a sterling exchange rate which has recorded net rises over the past year.

Despite the poor performance, we have increased our capacity in these businesses which we believe will result in a turnaround in the year ahead. Furthermore, in view of Ghana being the UK's fourth largest export market in sub-Saharan Africa, the imminent establishment of a Santova office in this region will offer these businesses an ideal opportunity to build a highly profitable trade route between the UK and Ghana.

EUROPE

Netherlands

Our continued investment in the Netherlands has resulted in the establishment of a highly successful business. Revenue is significantly up (37,9%) from R26,457 million to R36,497 million, predominantly as a result of an effective strategy of acquiring new clients. Earnings of R8,451 million are also significantly up (176,9%) on the previous year's figure of R3,052 million.

Whilst the European economy is delicate and difficult to predict, it represents a great opportunity to our Group. Europe is the world's largest exporter of manufactured goods and services, and in turn is the biggest export market for around 80 countries. Together, the European Union's 28 members account for approximately 16% of world imports and exports. Most importantly, more and more goods are being imported, rather than being produced domestically, a trend which will continue to generate a greater movement and distribution of goods within Europe from outside the EU, with air and sea transport providing an increased role in supply chain logistics services.

In Europe, technology has revolutionised the speed at which goods are 'shipped', which means that consumers and clients expect shorter lead times as a matter of course. There is an increase in the demand for next day deliveries and this is becoming more and more frequent within and between the European countries and the United Kingdom. Our plans to roll-out and leverage off our technology and sophisticated software packages in this region in the near future will ensure that we derive quality diversified revenue streams as a result.

Germany

Our operations in Europe have been further strengthened by the acquisition of Masterfreight Internationale Spedition GmbH ("Masterfreight") in Frankfurt, and the subsequent opening of an additional office in Hamburg. These businesses will provide a strategic 'foothold' in this region and will allow us to leverage off our current client base, as worldwide we have many clients who trade with Germany and international associates who also move goods on this trade route.

AUSTRALIA

In 2015, it was indeed encouraging to witness a significant turnaround in this business, which was under pressure to resume year-on-year earnings growth not seen in the past few years. However, the bold decision to invest further in 'front-end' capabilities despite this challenge has paid dividends.

For many years, Australia has in large been exempt from financial crises, property crashes and dot-com busts. The main reason for this economic resilience has been China's demand for commodities mined in Australia. Being Australia's largest trading partner, China has accounted for more than a third of Australia's exports. However, this has changed and the 'protection' from China is diminishing as exports to China dropped 4% in the quarter ended in July 2014 as the Chinese economy has slowed. The situation has been further compounded by the price for iron ore being at five-year lows, affected in part by China's slumping construction industry, while prices for all commodities from Australia have dropped 12% this year.

Whilst this poses a real threat to the Australian economy going forward, it also presents an opportunity for the economy to reinvent itself into a more diversified economy. Our business is not reliant on the mining sector for imports/exports and therefore, any diversification into products other than mined commodities will bode well for our business going forward.

When the opportunity presents itself, we still intend opening a second office in Melbourne to give us access to the retail sector in this region.

ASIA

Our offices in Asia continue to play a pivotal role in the facilitation, control and management of value-added services which add efficiencies and cost savings for our clients and

Through being extremely client-centric in our approach, we are able to capitalise on our international offices, systems and processes by integrating and managing activities into key supply chain processes rather than simply managing individual functions.

associates. As our international clients become more familiar with new geographies, they become more comfortable with assuming responsibility for 'pick-up' at the sellers' place of business. In this case, the buyer (importer) is responsible for all other transportation arrangements, costs, and risks from there on – such as loading, transporting it to a ship, loading it onto the ship, cross-border paperwork, unloading from the ship, etc. This can present logistical challenges to the buyer, since international trade often requires the seller or exporter to handle various freight clearance procedures. It is at this point that our offices in Asia assist by assuming responsibility for these ex-works and/or landside logistics services. As Santova ventures into new geographies and establishes new offices internationally the demand for such a presence in this region becomes all the more important.

We are investigating further opportunities that would result in a greater presence in this region.

THE FUTURE

Global trade and the emergence of multi-national companies have resulted in an increasingly competitive global market. We, as an industry and a Group, have had to invest and innovate to survive and prosper, adapting our services in order to meet rapidly changing consumer demand. We have also had to come to terms with the continuing intense competition and pressure on price and margins in the industry which will continue into the foreseeable future.

As companies continue seeking worldwide sourcing and distributing products in multiple markets, they will require extensive sophisticated operational and logistics solutions across geographies. In these circumstances, we are well placed to leverage off a borderless and integrated world economy which is driven by globalisation and technological advancements. Through being extremely client-centric in our approach, we are able to capitalise on our international offices, systems and processes by integrating and managing activities into key supply chain processes rather than simply managing individual functions. This capability or offering is beyond that of the traditional Customs Clearing and Forwarding business model which most importers and exporters are accustomed to.

Africa

Consistent with our interest in East and West Africa, we can announce the imminent opening of an office in Ghana. By capitalising on Ghana's strategic location in the sub-region of Africa, bordered by Cote d'Ivoire in the west, Burkina Faso to the north, Togo to the east and the Gulf of Guinea to the south, we will be in a position to manage the movement of goods in these regions whilst also providing avenues for transit cargo to land-locked areas in the northern part of the country.

E-commerce

Another area of interest for us is the e-commerce market which is growing at a rate faster than worldwide retail. According to projections from eMarketer, this trend is going to continue in the coming years. Whereas worldwide total retail will continue to grow between 5% and 6% through to 2018, worldwide e-commerce will grow at a rate between 13% and 25%. In barely five years, China's e-commerce market – which makes up almost 90% of its overall business-to-consumer (B2C) market – has become a formidable force. Online shopping has expanded at a compounded annual growth rate of 70% over the past five years, rising from roughly US$21 billion in 2008 to nearly US$300 billion in 2013.

With this in mind, we will also be looking to participate in the opportunities in end-to-end supply chain logistics that accompany such an industry.

APPRECIATION

Our progress as a Group within and beyond the borders of South Africa could not have been achieved without the cultures and values and philosophies that we as one team live our lives by. To our colleagues and executive management, we thank you for bringing out the great energies and talents of one another and for ensuring we have an unwavering common cause, which is for Santova to be a recognised brand in global trade solutions through strategic international offices and leading intellectual capital.

To all our clients, shareholders, stakeholders and business associates, thank you for your continued support and belief in our ability to achieve our purpose, which is to ensure that our clients continue to achieve a competitive advantage through innovative global supply chain solutions. Without such unity, we would not have been able to build, maintain and benefit from our audacious journey.

Our progress as a Group within and beyond the borders of South Africa could not have been achieved without the cultures and values and philosophies that we as one team live our lives by.

HIGHLIGHTS

The Santova Group has produced a positive set of financial results for the 2015 period which serves as evidence of its continued delivery and implementation of stated operational strategies and, in turn, has led to a developing trend of consistent and sustainable financial performance.

Key highlights during the period were:

- The acquisition of 100% Masterfreight Internationale Spedition GmbH (Masterfreight) in Frankfurt which has provided the Group with its first foothold in Germany and a good base from which to expand its operational capability within the region;
- The continued strong growth in the financial performance of the Netherlands region from its two offices in Rotterdam and Schiphol;
- A significant recovery in the financial performance of the Group's subsidiary in Australia following a long period of difficult trading conditions in that country;
- Positive growth in billings and revenue in South Africa with margins being maintained despite a weakening of trade volumes in the country;
- A strong contribution from the Group's projects division as it seeks to expand its product offering and capabilities in Africa; and
- Improved liquidity within the Group as a result of stronger operational cash flows leading to greater cash holdings at year-end.

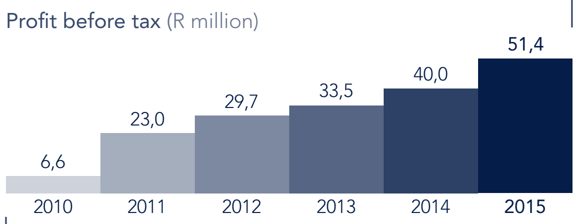
GROUP EARNINGS

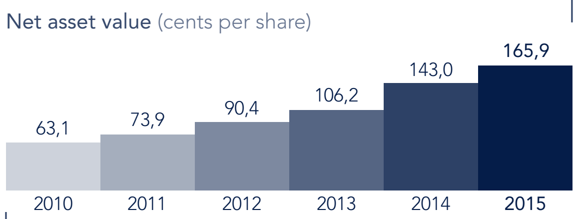
The Group delivered a credible **28,4% increase in profit before tax to R51,4 million** in 2015 (2014: R40,0 million), which translated into a 25,9% increase in basic earnings per share attributable to ordinary shareholders to 28,23 cents (2014: 22,42 cents).

This result was achieved due to a **7,5% increase in billings to R3 463 million** in 2015 (2014: R3 222 million), whilst protecting and slightly improving the revenue to billing margin to 6,8% in 2015 (2014: 6,7%). The effect of this was a leveraging upwards in revenue of 10,6% to R237,0 million in 2015 from R214,4 million in 2014.

This increase in revenue was then further enhanced by two factors which lead to the 28,4% increase in profit before taxation:

- The Group improving its operational efficiencies with an increase in operating margin to 26,0% from 24,2%. This is primarily due to cost increases in South Africa being contained to inflationary levels, but slightly offset by above average increases in the foreign operations due to the translation impact of the weakening Rand; and





- An increase in interest income of 90,5% to R8,7 million in 2015 (2014: R4,6 million) as a result of an increase in the prime lending rate and the Group enforcing the levying of interest at market-related rates on facilities granted to customers.

The Group's effective tax rate increased slightly to 23,7% in 2015 (2014: 23,1%) due to the increased contributions from Netherlands and Australia where the corporate income tax rates are 25% and 30% respectively.

SEGMENTAL ANALYSIS

South Africa

In South Africa, the logistics segment continues to be the core contributor to Group profitability, contributing 40,2% (2014: 49,0%) to profits for the year. The region achieved a 3,1% increase in billings as a result of a 9,7% weakening of the Rand to United States Dollar exchange rate, which had a positive impact on shipping revenues, offset by the reduction in trade volumes due to the poor economic climate within the country. South African port statistics show that the benchmark indicator of import container volumes decreased by approximately 5% over the current period.

Despite this pressure on trade volumes and intensive competition the region managed to increase the billings to revenue margin to 4,8% in 2015 (2014: 4,7%), thus leveraging actual revenue growth upwards to 5,3%. One of the key drivers in this growth in margin and revenue was a 95,4% growth in project billings as a result of a significant increase in the number of projects awarded to the Group. These projects related mainly to the shipment of agricultural products, wood and concrete into Africa and is a strategic initiative of the Group which it expects to develop further in the coming period.

The region managed to contain the growth in its administrative expenses through the implementation of significant efficiencies in its cost structures, which together with significant growth in interest income resulted in an increase in the regions' contribution to profit of 4,7% to R15,8 million (2014: R15,1 million).

Offshore

Two of the Group's foreign subsidiaries achieved meaningful increases in profit which resulted in the contribution to Group profit for the year from offshore increasing from 44,5% in 2014 to 47,1% in the current year:

- In the **Netherlands region profit for the year increased by 160% to R7,9 million in 2015** (2014: R3,1 million) as a result of a small but highly motivated and experienced team with sound management in place, who have achieved significant new revenue growth across a diverse client spread; and
- In the **Australian operation profit for the year increased 257% to R2,8 million** (2014: R0,8 million). This was achieved through the investment in further resources and new client growth, which has established a niche for the region within the local pharmaceutical industry.

The United Kingdom was the only region to disappoint with a 25,3% decrease in profit contribution from R7,7 million in 2014 to R5,8 million in 2015. This was primarily as a result of a significant reduction in shipping rates in the market which impacted severely on margins and continuing challenges around customer retention and growth.

In addition to the above, the Financial Service division and the Hong Kong operations are long established and mature businesses which continue to be meaningful contributors to the Group's profitability.

FINANCIAL POSITION

The structure of the Group's asset base remained consistent with the prior period with very little change taking place.

Total trade and other receivables increased by a net 5,9% to R548 million in 2015 (2014: R517 million) due to:

- the 7,5% increase in billings detailed earlier in this report; and
- this was offset by an improvement in debtor's days from 54,5 days to 52,2 days in 2015.

Total intangible assets decreased slightly to R122,3 million in 2015 (2014: R123,9 million) due to a combination of a number of factors:

- A R4,1 million increase in goodwill related to the acquisition of Masterfreight in December 2014, offset by the R3,9 million impairment of W.M. Shipping Limited as detailed in the Group's interim results; and
- A 1,3% strengthening in the closing Rand to British Pound foreign exchange rate which caused a R2,0 million foreign exchange translation loss on goodwill in the current period.

There were two material structural changes within the Group's liability structure during the current financial period:

- a 21,0% decrease in trade and other payables versus the closing balance as at February 2014; and
- a corresponding 34,8% increase in short-term borrowings.

These changes are directly associated with and attributable to a restructuring and change of payment date of the Group's deferment facilities in South Africa which took place in August 2014. The restructuring was a decision taken by the Group to facilitate the claiming of VAT by clients following a legislative change and to improve the Group's liquidity. The restructure had no overall effect on borrowing costs and the average borrowing balances remained consistent throughout each month.

CASH FLOWS AND FUNDING

The increase in profitability in the current period has resulted in strong cash flows from operating activities being generated by the Group. **In 2015, R28,6 million in net cash was generated from operations versus R23,7 million in 2014.**

This cash generated from operations was primarily invested as follows:

- R3,4 million primarily in the acquisition of Masterfreight, Germany;
- R9,3 million in the repayment of long-term interest-bearing borrowings; and
- R4,4 million in the payment of the Group's second annual dividend.

The balance of cash generated from operations was retained within the business and is evidenced by **the Group's overall cash holdings increasing 21,8% from R36,8 million in 2014 to R44,9 million in the current period.** R37,2 million or 82,9% of this cash is held by the offshore subsidiaries; evidence of their ability to produce positive cash flows as they do not have the same statutorily imposed funding of clients as in the South African region.

CONCLUSION

The Group looks forward to a challenging but successful 2016 financial year and believes this positive financial performance achieved in 2015 will serve as a further building block in the Group's strategy to achieve long-term sustainable earnings growth, thereby generating significant returns for all stakeholders.

DIRECTORATE AND MEMBERS OF COMMITTEES

INDEPENDENT NON-EXECUTIVE DIRECTORS

Edward (Ted) Garner (75)

CA(SA), MBL (Unisa), MSIA (Carnegie Mellon, USA)
Chairman
Appointed: 5 June 2008

Ted is a Chartered Accountant with a Masters Degree in Business Administration. Most of his working career has been in the Tongaat Sugar company/Tongaat-Hulett 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. Since his retirement from the Tongaat-Hulett group in 2000, Ted has focused on various directorships and his business consultancy.

Anthony (Tony) Dixon (68)
CA(SA), F Inst. D
Appointed: 1 December 2010

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 a number of executive and non-executive directorships on the boards of publicly listed companies, including Guardian Insurance before its acquisition by Santam and Altech before its acquisition by Altron. He is currently an independent non-executive director of Consolidated Infrastructure Group Limited, The Pivotal Fund Limited and South African Airways (SAA) and the Chairman of the Altech Finance and Risk Committee. Tony was Executive Director of the Institute of Directors for five years and for a number of years he provided the secretariat role to the King Committee, of which he was a member from 2003 to 2013.

Warwick Lombard (59)
CA(SA)
Appointed: 5 June 2008

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 28 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 privately held industrial holding group.

Ernest Ngubo (50)
Pr Eng; BSc Eng Elec (Natal); NHD Eng Elec (DUT); Financial Management Diploma
Appointed: 25 February 2014

Ernest is a founding member and a shareholder in Igoda Projects, of which he has been the Chief Executive Officer since 2004. His career began as an apprentice electrician in 1984, working his way up through Technikon and later University studies. His experience includes 10 years as an engineering technician in various companies including Unilever, Watson Edwards Consulting Engineers, and Spoornet to mention but a few. Ernest has also practised as a consulting engineer for more than 15 years executing various projects from conceptual engineering designs, contract administration and business management. He is a co-founder of the National Society of Black Engineers (NSBE) and a member of the regional committee of the Black Management Forum (BMF). He serves as a Director on the Boards of the following companies: Fluor Igoda (Pty) Ltd *(Chairman)* and Electrowave (Pty) Ltd.

EXECUTIVE DIRECTORS

Glen Gerber (52)
BA (Hons), MBA
Chief Executive Officer
Appointed: 1 February 2003

Glen attained a BA Honours degree at Rhodes University in 1984 and following completion of his compulsory national service he then joined Integrated Business Information Systems (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 change and joined Investec Group Limited where he headed both the Northern Transvaal and later the KwaZulu-Natal operations for a continuous period of 12 years, going on to be appointed divisional director of Investec Private Bank in 1995. Upon his resignation from Investec Private Bank in 2003, Glen joined Santova and has been instrumental in development of the Group over the last 12 years as CEO.

David Edley (47)
CA(SA)
Group Financial Director
Appointed: 1 March 2012

David is a Chartered Accountant and completed his articles with Deloitte in Durban in 1992. Since then he has held a number of senior financial positions, both in South Africa and in the United Kingdom. Prior to joining Santova, David was the Chief Executive Officer of Gane Capital, a privately held company involved in specialised lending and asset management. Prior to this he was Chief Operating Officer of Investec Private Bank, Durban. David joined Santova as

Group Financial Director in 2012.

Anthony (Lance) van Zyl (41)
Appointed: 22 February 2011

Lance started his freight career in 1993 as a consolidator with a medium-sized company specialising in import and export consolidations. He received 'in house' training and worked through all the divisions, culminating in a managerial position. In 2001, he left the organisation to join Aviocean as General Manager and six months later bought out his partner to acquire 100% of the business. Lance sold his interest in Aviocean to Santova in March 2010 and as a result Lance was appointed a director of Santova in February 2011.

COMPANY SECRETARY

Jennifer Lupton (73)
FCIS, M Inst. D
Appointed: 8 May 2003

Jenny began her career in Rhodesia in the early 1970s working for an investment banking organisation where she gained wide experience in all aspects of company secretarial work. She emigrated to South Africa in 1975 and joined the head office of the same organisation where she enhanced her company secretarial experience and gained her Associate membership of the Southern African Institute of Chartered Secretaries, and subsequently became a Fellow of the Institute. In 1994, she moved to KwaZulu-Natal and after eight years as Office Manager of an Auditing Practice, left in 2002 to build her own company, Highway Corporate Services (Pty) Ltd, which provides outsourced company secretarial services to listed and unlisted companies.

PRESCRIBED OFFICER

Andrew Lewis (36)
BCom, LLB, ACIS
Group Legal Advisor
Appointed member of Group Exco: 25 January 2013

Andrew completed his BCom and LLB degrees at the University of Natal and thereafter he served his articles at Deneys Reitz Incorporated. During his articles he gained experience in maritime, commercial and labour law and on completion was admitted as an attorney. He left Deneys Reitz to join the Santova Group in early 2005 where he has served as Group Legal Adviser for the past 10 years. In addition to his role as Group Legal Advisor he serves as a director of Santova Logistics (Pty) Ltd and chairs the Risk Management Committee and National Customs Committee. Andrew was appointed a member of the Group Exco in January 2013.

THE BOARD		
NON-EXECUTIVE	**EXECUTIVE**	
Ted Garner *(Chairman)* Tony Dixon Warwick Lombard Ernest Ngubo	Glen Gerber *(CEO)* David Edley *(Group FD)* Lance van Zyl	
NUMBER OF DIRECTORS		
Non-executive	4	57%
Executive	3	43%
AUDIT AND RISK COMMITTEE	**SOCIAL AND ETHICS COMMITTEE**	
Warwick Lombard *(Chairman)* Tony Dixon Ted Garner	Tony Dixon *(Chairman)* Ted Garner Warwick Lombard	
NOMINATIONS COMMITTEE	**REMUNERATION COMMITTEE**	
Ted Garner *(Chairman)* Tony Dixon Warwick Lombard	Tony Dixon *(Chairman)* Ted Garner Warwick Lombard	
EXECUTIVE COMMITTEE		
Glen Gerber *(Chairman)* David Edley Lance van Zyl Andrew Lewis		

The Group is fully committed to the promotion of good corporate governance and the application of the Code of Governance Principles in King III. Every effort is being made on a continuous basis to institute "best practice" wherever possible to ensure that all aspects of the Group's activities are conducted in accordance with the principles of integrity, accountability, fairness and transparency.

GOVERNANCE, ETHICS AND COMPLIANCE STRUCTURES

The Group's vision, purpose, culture and values, which are set out on pages 3 to 7 of this Annual Integrated Report, form the foundation of the business and set the moral and ethical tone of the Group. Due to the expansion of the Group in recent years, there has been a new drive in the period under review to ensure that the entire Group, including the foreign subsidiaries, commit to the vision and purpose and also embrace and live the culture and values of the Group. With this in view, a three-day strategy meeting was held in South Africa during the current financial period which was attended by Board members and senior management from all the Group's local and foreign operating subsidiaries. At this strategy meeting the Group's statements of its vision, purpose, culture and values were completely revised and updated. This took place through a detailed analytical and consultative process so as to reflect the consensus view of the Board, as well as of all senior management. Following this meeting members of the Group Executive Committee undertook a roadshow to all local and foreign offices to ensure that every member of staff was aware of and committed to the newly stated vision, purpose, culture and values.

The Board receives assurance on the Group's compliance with applicable legislation, regulations, codes and standards from reports from the chairmen of the various Board committees and compliance is a regular item on the agenda of each of these Board committee meetings.

The Board of Directors has satisfied itself that during the period under review the Group has, in all material respects, applied the principles of King III and the Code and complied with the Listings Requirements of the JSE Limited and all other applicable legislation.

APPLICATION OF KING III

During the year under review, the Group utilised the Governance Assessment Instrument ("GAI") of the Institute of Directors to assess its level of compliance with the recommendations of King III and had achieved an overall score of AAA. Available on the Company's website are:

- the report from the GAI in each category;
- a table summarising the King III principles that have either not been applied or have not been partially or not been fully applied, together with commentary; and
- a report detailing compliance with the JSE Listings Requirements with regard to the application of King III.

BOARD OF DIRECTORS

There were no changes to the Board composition during the course of the year. Brief biographical details of each of the current directors are set out on pages 19 and 20 of this Annual Integrated Report.

The Group has a unitary Board of seven directors comprising a majority of non-executive directors, all of whom are independent, and with extensive financial, corporate governance and business experience, balanced with entrepreneurial flair. The size of the Board is considered appropriate to the present size of the Group. 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. The roles of the Chairman and Chief Executive Officer are separated and their responsibilities clearly defined. The Chairman is an independent non-executive director.

The Board has adopted a formally documented policy detailing procedures for appointments to the Board and all appointments are formal and transparent and a matter for the Board as a whole, but assisted by the Remuneration and Nominations Committees when required.

In terms of the Company's Memorandum of Incorporation (MoI), one-third of the non-executive directors retire by rotation annually, and if eligible and available, they are considered for reappointment by the shareholders at the Annual General Meeting. Directors appointed during the course of the year to fill casual vacancies retire at the following Annual General Meeting to provide shareholders with the opportunity to confirm their appointment.

An evaluation of the performance of the Board members and its committees is undertaken periodically through a formal process of detailed evaluation questionnaires, discussion of results and formulation of action plans. Due to the small size of the Board more frequent evaluations and evaluations at committee level are not considered necessary at this stage.

BOARD CHARTER

The Board's objective is to ensure responsible leadership in a manner that balances the needs of all stakeholders and aims to retain full and effective control of the Group and to give strategic direction to management. The detailed responsibilities of the Board are set out in a formal Board Charter which is available on the Company's website. The Charter is reviewed and updated annually to ensure that it is aligned with current legislation and governance best practice. The responsibilities of the Board include the following:

- Compliance with all applicable laws, regulations and codes of business practice.

- Responsibility for setting the strategic objectives of the Company, determining investment and performance criteria, and taking ultimate responsibility for the proper management and ethical behaviour of the Group.
- Defining levels of materiality, reserving specific powers to itself and delegating other matters to executive management in terms of a limits of authority framework.
- Responsibility for monitoring the management of key strategic and operational risk issues and performance areas and identifying key non-financial issues relevant to the Group.
- Reviewing the performance of the various Board committees established to assist in the discharge of its duties.

For the year under review the Board fulfilled its responsibilities in compliance with its charter.

CONFLICT OF INTEREST

Directors are obliged to disclose at every Board meeting any potential conflicts of interest, direct or indirect, that may arise. These are appropriately managed. In addition, a general disclosure of their interests in the form of shareholdings, directorships and other appointments are made annually and updated when changes take place. These disclosures are recorded in a register and in the minutes of the meetings. The Group has a formal policy in place which governs the dissemination of price-sensitive information to third parties and a formal policy for dealing in the Company's equity securities. Directors and officers of the Group who have access to unpublished and price-sensitive information are prohibited from dealing in shares of the Company during a restricted period.

BOARD COMMITTEES

The Board has established an Audit and Risk Committee, a Remuneration Committee, Nominations Committee and a Social and Ethics Committee without in anyway reducing its accountability to its stakeholders in these areas. The Board committees each have clear terms of reference set out in their Charters delineating their scope of authority and specific responsibilities. The Charters are reviewed annually to ensure that they are current and relevant. The Audit and Risk Committee and the Social and Ethics Committee have taken on their respective functions for all of the South African subsidiaries and deal with the matters required to be dealt with in terms of the Companies Act, 2008, the JSE Listings Requirements, and King III on behalf of those subsidiaries.

The CEO is a permanent invitee to all committee meetings and the Group Financial Director attends Audit and Risk Committee meetings. The Company Secretary is the secretary of all the Board committees.

AUDIT AND RISK COMMITTEE

A full Audit and Risk Committee Report may be found on page 29 with a separate report on Risk Management on page 24.

REMUNERATION AND NOMINATIONS COMMITTEES

Three independent non-executive members of the Board comprise the members of the Remuneration and Nominations Committees. The Chairman of the Board does not chair the Remuneration Committee but is the Chairman of the Nominations Committee, as required by the JSE Listings Requirements, and chairs the meeting when matters requiring the attention of the Nominations Committee are dealt with.

During the year, the committee set the overall parameters for salary increases and bonuses, approved the remuneration of senior executives and determined the remuneration of executive directors. With remuneration forming one of the largest cost components of the Group, optimising the remuneration expense will always be a core focus area for the committee.

The Group has an extremely active and efficient Group Human Resources team which looks after the issues of human resource management in terms of social transformation, moral and social responsibility.

The Group has active programmes to enhance the skills of all its employees internationally and train them in the Group's business. For more detail please refer to the Sustainability Report on the Company's website.

The remuneration philosophy and practices are enunciated in the Group's Remuneration Policy contained in the Remuneration Report on page 26 and on the Company's website.

SOCIAL AND ETHICS COMMITTEE

Membership of the Committee comprises three independent non-executive Board members and the Group Legal Adviser. For more detail, please refer to the report of the Social and Ethics Committee on page 31.

SUBSIDIARY COMPANIES

Each of the South African operating entities has its own Board of Directors on which at least two members of the Board of the holding company sit. Board meetings are held as and when required. The Company Secretary attends all Board meetings and provides secretarial services to the South African subsidiary companies. The holding company's Audit and Risk Committee has taken on the Audit and Risk Committee function of all the South African subsidiaries and deals with the matters required to be dealt with in terms of the Companies Act, 2008, the JSE Listings Requirements and King III.

COMPANY SECRETARY

The competence, qualifications and experience of the Company Secretary are reviewed annually by the Board and the Board has satisfied itself that the Company Secretary is competent and has the necessary qualifications and experience required to fulfil the role and the responsibilities placed upon a Company Secretary by the Companies Act, the JSE Listings Requirements and King III. The Company Secretary if a Fellow of the Institute of Chartered Secretaries and Administrators and a Member of the Institute of Directors with 40 years' experience in the field of Company Secretarial practice. Although appointed in her personal capacity, the Company Secretary is an outsourced appointment and has for the past 12 years been running her own company providing Company Secretarial services to listed, unlisted public, and private companies in KwaZulu-Natal with a staff complement of six. This has given her broad experience in small entrepreneurial companies through to JSE listed entities. As the sustainability of her business is not dependent upon her appointment to Santova, the Company Secretary is able to maintain an arm's-length relationship with the Company and its Board of Directors and to be truly independent.

JSE SPONSOR

River Group has been mandated to act as the Group's sponsor. River Group provides an annual audit programme checklist to assist compliance with the continuing obligations and other applicable rules and regulations imposed by the JSE Listings Requirements.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

		Board	Audit and Risk	Remuneration and Nominations	Social and Ethics
Independent non-executive directors					
ESC Garner	Board/Nominations Committee Chair	4/4	4/4	3/3	2/2
AD Dixon	Remuneration Committee Chair	4/4	4/4	3/3	2/2
WA Lombard	Audit Committee Chair	4/4	4/4	3/3	2/2
EM Ngubo		4/4	–	–	–
Executive directors					
GH Gerber	Group CEO	4/4	4/4	3/3	2/2
DC Edley	Group Financial Director	4/4	4/4	–	–
AL van Zyl		4/4	–	–	–
Prescribed officer					
AKG Lewis	Group Legal and Risk Adviser	–	–	–	2/2

RISK MANAGEMENT REPORT

The development of the Group's risk management strategy has continued to be a priority for the Board during the current financial year, entrenching risk identification and mitigation as an ongoing practice within the Santova Group so that it is an integral part of the day-to-day activities of operational management.

The Board's recognition of the importance of effective risk management processes drives the mindset of continuous reassessment and improvement of this strategy and the related processes, ensuring they remain effective and appropriate for the Group as it grows and evolves. The Board also plays a key role in the risk management process as it looks to obtain evidence throughout the year that the core objectives are satisfied, namely that:

- the most significant risks inherent in the Group's business have been identified and are continually reassessed;
- management understands these risks; and
- management are effectively managing and mitigating these risks.

Further to the above, the Board seeks to ensure compliance with the specific risk governance recommendations of the King Code on Corporate Governance for South Africa – 2009 ("King III") as well as other relevant codes, frameworks and best practice specific to our industries.

RISK MANAGEMENT STRUCTURE

There has not been any significant change in the risk management structure other than the natural development of scope, membership and roles within the committees themselves. The Board remains ultimately responsible for the governance of risk within the Group and the following structure remains in place to ensure that the required highly effective levels of risk management are maintained:

The Board has delegated the responsibility of ensuring that the practical risk management framework and processes are properly implemented to the Audit and Risk Committee. Membership of this committee consists of independent non-executive directors, all of whom have extensive knowledge and experience in the field of risk management.

Two primary management committees are then directly responsible for the day-to-day implementation of risk management processes throughout the Group and the monitoring thereof. These committees report directly to the Audit and Risk Committee on a quarterly basis.

RISK MANAGEMENT COMMITTEE

This committee oversees the daily risk management process for all areas of risk. All risks identified by operational management are reported to this committee on an ongoing basis through a central risk inbox set up exclusively for this purpose. The reported risks are assessed immediately to determine the level of priority and action required, and ultimately the impact and mitigation is further discussed and documented at committee meetings.

The committee met on three occasions during the past financial year and is made up as follows:

- Group Legal Advisor *(Chairman)*
- Group Financial Accountant *(Secretary)*
- Group Financial Director
- Group CEO
- Financial Director Santova Logistics
- MD Santova Financial Services
- KZN Regional Head Santova Logistics

The Group Chairman is also copied on all relevant communication so that he is aware of the ongoing matters of the Risk Management Committee.

IT RISK MANAGEMENT COMMITTEE

This committee's mandate is to oversee the daily IT risk management process and comprises members with the requisite IT skills and experience.

The committee met on six occasions during the past financial year and is made up as follows:

- Group Financial Director *(Chairman)*
- Divisional Head: Supply Chain Management
- Supply Chain Management Systems Specialist – Europe
- Group IT Coordinator
- Financial Director of Santova Logistics

OTHER COMMITTEES

The two primary risk management committees are in turn supported by two additional risk management sub-committees as set out in the diagram on the previous page, along with a number of other informal operational forums.

In addition, the Audit and Risk Committee periodically calls upon the external auditors and certain external consultants to provide additional risk assurance.

Operational management are able to feed information involving day-to-day risk management seamlessly through this structure, ensuring an integrated approach to the practical implementation of risk management across the Santova Group.

RISK MANAGEMENT PROCESS

The key aim of the Group's risk management process is to identify, quantify and manage the key risks inherent within the Group. Identification and quantification is documented on the Risk Register and through this process management is able to assess the residual risk scores for each risk and ensure that these are maintained within acceptable tolerance levels.

At the regular meetings of the Risk Management Committee and the IT Risk Management Committee, formal agendas are drawn up and detailed minutes of the meetings are recorded. The Chairman of both the Risk Management Committee and IT Risk Management Committee attend every Audit and Risk Committee by invitation and present a formal risk report, minutes of the respective committee meetings and an update on all current key risk issues and initiatives.

The key to the Group's risk management methodologies and procedures is the formally documented Risk Register, mentioned above, that identifies and measures all risks inherent within the Group. The Risk Register is a "live" document, under constant review and continuously updated by the Risk Management Committee, which evaluates each inherent risk identified in terms of potential impact and probability. Once an inherent risk score has been determined, responsibility for management of the particular risk is allocated and current controls and reports in mitigation of the risk are identified. This enables the control effectiveness to be determined and applied to the inherent risk to ultimately determine the residual risk score. Risks are ranked by the residual score for the purposes of directing planned future actions to be implemented by management.

The Risk Register is periodically reviewed by the Board and on an annual basis the Board performs a high level assessment of the key risks inherent in the Group, whereby each Board member assesses and scores the risks. The results of these assessments, of which a summary of the most recent is presented below, are combined and utilised by the Board to drive Group risk strategy and risk management.

OVERVIEW OF KEY RISKS

The key risks the Board considers the Group to be facing are set out in the table below. These are risks that have been identified as those requiring the ongoing attention of management to maintain the residual risk within acceptable tolerance levels.

RISK CATEGORY	SUB-CATEGORY	KEY RISK DESCRIPTION
STRATEGIC	Sales and marketing risk	Growth in revenue through new client acquisition
OPERATIONAL	Business continuity risk/physical risk	Loss or destruction of key assets/premises/IT equipment due to accidents/disasters
OPERATIONAL	People/human resources risk	Succession planning and challenge of depth at senior management level
FINANCIAL	Valuation risk	Valuation of assets and investments
OPERATIONAL	People/human resources risk	Talent identification, recruitment and retention
STRATEGIC	Competitive risk	Innovation of product offering and meeting changing customer demands
STRATEGIC	Innovation risk	Ongoing technology innovation and development of differentiating internally generated software
STRATEGIC	Competitive risk	Pricing pressure from competitors and maintaining margins
OPERATIONAL	Competitive risk	Failure to secure new revenue through uncompetitive quoting and not meeting client specific needs
FINANCIAL	Liquidity risk	Insufficient cash to meet financial obligations as they fall due

The Remuneration and Nominations Committees are mandated by the Board of Directors to support and advise on the Group's remuneration philosophy and policy, and on new appointments to the Board. During the year under review the Board accepted the recommendations of the Committee under its delegated powers.

The Corporate Governance Report on page 21 contains details of the composition, meetings and mandate of the Committee. This report focuses primarily on the remuneration of executive and non-executive directors.

The Chairman of the Board ensures that the Committee has access to professional advice from outside the Group where necessary.

POLICY ON DIRECTORS' REMUNERATION

The directors are appointed to the Board to bring to the Group management expertise and strategic direction and to provide the necessary skills and experience appropriate to its needs as a diversified leading global business.

In following the strategy of an international non-asset based Lead Logistics Provider, the Group's human capital has been identified as one of the four primary inputs into its value adding processes. Hence it is important that our reward strategies and remuneration structures are designed to attract, motivate and retain high-calibre people at all levels within the Group, whilst fostering a culture of performance.

Consideration is given to total reward and on achieving an appropriate balance between fixed and variable remuneration and short-term and long-term incentives for all employees, depending on seniority and roles. The guaranteed remuneration component paid to directors is based on industry benchmarks and targeted just below the median of the market. The Group maintains its discretion to pay a premium to the median for the attraction and retention of the directors.

NON-EXECUTIVE DIRECTORS' CONTRACTS AND REMUNERATION

Non-executive directors do not have service contracts with the Company but instead have letters of appointment. All non-executive directors have terms of appointment of three years and one-third of the non-executive directors retire each year at the Annual General Meeting in terms of the Company's Memorandum of Incorporation. Each retiring director who is eligible and offers himself for re-election is then subject to re-election by shareholders.

The Chairman receives an annual fee which takes into consideration his role as Chairman of the Group, his attendance at Board and Committee meetings, and the breadth of that role coupled with the associated levels of commitment and expertise.

Other non-executive directors receive fixed fees for service on the Board and Board committees on the basis of meetings attended and chairmanship of Board committees. Non-executive directors do not receive short-term incentives nor do they participate in any long-term incentive schemes. The fees paid to non-executive directors for the past financial year were approved by shareholders at the Annual General Meeting held on 29 July 2014. Details of the remuneration paid to each non-executive director for the past financial year may be found in the table below.

At the Annual General Meeting to be held on 28 July 2015 shareholders will be asked to pass a special resolution to increase the fees of non-executive directors to the amounts set out in the Notice of Annual General Meeting on page 50.

EXECUTIVE DIRECTORS' CONTRACTS AND REMUNERATION

Each executive director is bound by a formal contract of employment. These contracts are formulated in a manner which is consistent with industry norms and legislative

NON-EXECUTIVE DIRECTORS' FEES

	2015 Directors' fees R'000	2015 Consulting fees R'000	2015 Total R'000	2014 Directors fees' R'000	2014 Consulting fees R'000	2014 Total R'000
AD Dixon	**145**	**–**	**145**	103	–	103
S Donner*	**–**	**–**	**–**	9	341	350
ESC Garner	**318**	**–**	**318**	295	–	295
WA Lombard	**173**	**–**	**173**	169	–	169
EM Ngubo	**75**	**–**	**75**	10	–	10
	711	**–**	**711**	586	341	927

* *S Donner resigned as a non-executive director of the Company during the previous financial year, on 1 July 2013.*

requirements. The contracts are for variable terms subject to notice periods ranging between 30 to 60 days and all contracts carry post-employment restraints for a period of two years, providing protection to the Group's client base, employees and confidential information.

The Committee aims to align the directors' total remuneration with stakeholders' interests by ensuring that a significant portion of their package is variable in nature. Executive directors qualify for an annual incentive bonus calculated and paid in May of each year following the finalisation of the Group's annual results for the previous financial period. The payment of this incentive bonus is subject to the achievement of certain performance targets that are directly linked to:

- the overall Group performance for the financial year;
- the performance of the specific division for which the director is responsible; and
- the individual director's personal performance against role-specific KPIs and the extent that the director lives the Group's cultures and values.

Executive directors' fixed remuneration components, which are quantified on a total cost to company basis ("TCC"), are reviewed annually in March of each year by the Committee so as to ensure sustainable performance and market competitiveness. In performing this review the remuneration packages are:

- compared to current remuneration surveys and levels within other comparable South African companies; and
- reviewed in light of the individual director's own personal performance, experience, responsibility and Group performance.

The philosophy behind these annual reviews is to award percentage increases that are typically linked to current and forecast inflation levels, so as to primarily compensate for loss of real disposable income.

The fixed remuneration component or TCC typically constitutes three elements:

- A fixed base salary;
- Contributions by the Company to defined contribution retirement plans on behalf of the executive directors on the basis of a percentage of pensionable salary and which includes death and disability cover; and
- Contributions to the Group's medical healthcare scheme.

Executive directors do not receive directors' fees for attending Board and committee meetings and are not specifically remunerated in any way for their role as directors of the Company.

A breakdown of the annual remuneration (excluding equity awards) of directors for the years ended 28 February 2015 and 28 February 2014 can be found in the table below:

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICER FEES

	Basic remuneration R'000	Retirement, medical and other benefits R'000	**Total cost to company R'000**	Performance bonus R'000	**Total R'000**
2015					
Executive directors					
DC Edley	**1 360**	**253**	**1 613**	**285**	**1 898**
GH Gerber	**2 428**	**55**	**2 483**	**551**	**3 034**
AL van Zyl	**1 754**	**71**	**1 825**	**349**	**2 174**
Prescribed officer					
AKG Lewis	**887**	**113**	**1 000**	**130**	**1 130**
	6 429	**492**	**6 921**	**1 315**	**8 236**
2014					
Executive directors					
DC Edley	1 269	231	1 500	163	1 663
GH Gerber	2 258	52	2 310	271	2 581
AL van Zyl	1 648	65	1 713	206	1 919
Prescribed officer					
AKG Lewis	754	96	850	66	916
	5 929	444	6 373	706	7 079

SANTOVA SHARE OPTION SCHEME

The Group operates the Santova Share Option Scheme as a means of providing long-term incentives and retaining senior management and executive directors. In terms of the Scheme the Group can grant share options to qualifying employees to acquire shares in the Company. The rules of the Scheme are set down in a document that has been approved by the JSE Limited and filed with the Companies and Intellectual Property Commission. The Company Secretary has been appointed the Compliance Officer of the Scheme, and the Remuneration and Nominations Committees will govern the Scheme on an ongoing basis. Non-executive directors are not entitled to participate in the Scheme.

At the Annual General Meeting to be held on 28 July 2015, shareholders will be asked to vote on the creation of the Santova Share Option Scheme Number 2 and the allocation of further shares to this new scheme. The Remuneration Committee has recommended the establishment of this scheme as a means of further incentivising and retaining key management. The new scheme has been approved by the JSE Limited. The primary features of this new scheme are a longer vesting period of five years and no company contribution towards the cost of the shares. A document detailing the key features of the new scheme can be found on page 54 of this report.

A summary of options granted, forfeited and still to be exercised by executive directors and prescribed officers are as follows:

	Options as at 1 March 2014	Options awarded	Options lapsed	Options exercised	Options as at 28 February 2015	Option price (cents)	Vesting date
2015							
Executive directors							
DC Edley	**450 000**	**–**	**–**	**–**	**450 000**	**85**	**30 November 2015**
	–	**350 000**	**–**	**–**	**350 000**	**186**	**26 May 2017**
	450 000	**350 000**	**–**	**–**	**800 000**		
GH Gerber	**800 000**	**–**	**–**	**–**	**800 000**	**85**	**30 November 2015**
	–	**500 000**	**–**	**–**	**500 000**	**186**	**26 May 2017**
	800 000	**500 000**	**–**	**–**	**1 300 000**		
AL van Zyl	**500 000**	**–**	**–**	**–**	**500 000**	**85**	**30 November 2015**
	–	**350 000**	**–**	**–**	**350 000**	**186**	**26 May 2017**
	500 000	**350 000**	**–**	**–**	**850 000**		
Prescribed officer							
A Lewis	**199 000**	**–**	**–**	**–**	**199 000**	**85**	**30 November 2015**
	–	**150 000**	**–**	**–**	**150 000**	**186**	**26 May 2017**
	199 000	**150 000**	**–**	**–**	**349 000**		
	1 949 000	**1 350 000**	**–**	**–**	**3 299 000**		

	Options as at 1 March 2013	Options awarded	Options lapsed	Options exercised	Options as at 28 February 2014	Option price (cents)	Vesting date
2014							
Executive directors							
DC Edley	450 000	–	–	–	450 000	85	30 November 2015
GH Gerber	800 000	–	–	–	800 000	85	30 November 2015
AL van Zyl	500 000	–	–	–	500 000	85	30 November 2015
Prescribed officer							
A Lewis	199 000	–	–	–	199 000	85	30 November 2015
	1 949 000	–	–	–	1 949 000		

REPORT OF THE AUDIT AND RISK COMMITTEE

We are pleased to present our report for the financial year ended 28 February 2015.

The Audit and Risk Committee is an independent statutory committee appointed by the shareholders and its statutory duties are set down in section 94(7) of the Companies Act. Further duties are delegated to the Audit and Risk Committee by the Board of Directors of the Company. The Board of Directors of Santova Limited has delegated the monitoring of risk management to the committee. This report covers both these sets of duties and responsibilities.

AUDIT AND RISK COMMITTEE CHARTER

The Audit and Risk Committee has adopted formal terms of reference contained in a Charter that has been approved by the Board of Directors. The Committee has conducted its affairs in compliance with its terms of reference and has discharged its responsibilities contained therein. A copy of the Charter is available on the Company's website.

ROLE AND RESPONSIBILITIES

Statutory duties

The Audit and Risk Committee's role and responsibilities include statutory duties set down in the Companies Act and further responsibilities assigned to it by the Board. The Audit and Risk Committee executed its duties in terms of the requirements of King III. Instances where the principles of King III have either not been applied or have only partially been applied are explained in a report which may be found on the Company's website.

External auditor appointment and independence

The Audit and Risk Committee has satisfied itself that the external auditor was independent of the Company, as required by section 94(8) of the Companies Act, which includes consideration of previous appointments of the auditor and compliance with criteria relating to independence or conflicts of interest as prescribed by the Independent Regulatory Board for Auditors. The external auditor is not considered for non-audit services in South Africa, but may provide other services to the overseas entities, each of which had its own independent auditors. Requisite assurance was sought and provided by the auditor that internal governance processes within the audit firm support and demonstrate its claim to independence.

The Committee ensured that the appointment of the auditor complied with the Companies Act and any other legislation relating to the appointment of auditors.

The Committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2015 financial year.

The Committee has nominated, for election at the Annual General Meeting, Deloitte & Touche as the external auditor. In terms of section 92(1) of the Companies Act S Munro will have completed his allowable tenure as the designated auditor responsible for performing the functions of auditor on finalisation of the 2015 audit. The Committee has nominated B Botes as the designated auditor responsible for performing the functions of auditor for the 2016 financial year. The Committee has satisfied itself that the audit firm and designated auditor are accredited as such on the JSE Limited's list of auditors and their advisors.

Financial statements and accounting practices

The Audit and Risk Committee has reviewed the accounting policies and the financial statements of the Company and the Group and is satisfied that they are appropriate and comply with International Financial Reporting Standards.

An Audit and Risk Committee process has been established to receive and deal appropriately with any concerns and complaints relating to the reporting practices of the Company. No matters of significance have been raised in the past financial year.

Internal financial controls

The Audit and Risk Committee has overseen a process by which it has assured itself of the effectiveness of the Company's system of internal controls and risk management, including assurance received from formal financial, legal, IT and customs reports provided by management, and external and internal assurance providers. Based on this assurance, the Audit and Risk Committee made a recommendation to the Board in order for the Board to report thereon. The Board report referring to the effectiveness of the system of internal controls is included in the Approval of the Annual Financial Statements on page 4 of the Annual Financial Statements. The Audit and Risk Committee supports the opinion of the Board in this regard.

Duties assigned by the Board

In addition to the statutory duties of the Audit and Risk Committee as reported above, and in accordance with the provisions of the Companies Act, the Board of Directors has determined further functions for the Audit and Risk Committee to perform, which are set out in the Audit and Risk Committee's Charter. These functions include the following:

Integrated reporting and combined assurance

The Audit and Risk Committee fulfils an oversight role regarding the Company's integrated report and the reporting process.

The Audit and Risk Committee considered the Company's sustainability information as disclosed in the integrated report and has assessed its consistency with operational and other information known to Audit and Risk Committee members, and for consistency with the Annual Financial Statements. The Audit and Risk Committee discussed the sustainability information as contained in the Sustainability

Report with management. The Board of Directors does not believe that the Company is at the stage of its development that warrants the cost of appointing either a sustainability committee or an external assurance provider. The Audit and Risk Committee is satisfied that the Company has optimised the assurance coverage obtained from management, internal and external assurance providers in accordance with an appropriate combined assurance model.

Going concern

The Audit and Risk Committee has reviewed a documented assessment, including key assumptions, prepared by management of the going-concern status of the Company and the Group and has made recommendations to the Board. The Board's statement on the going-concern status of the Company and the Group, as supported by the Audit Committee, may be found in the Approval of the Annual Financial Statements on page 4 of the Annual Financial Statements.

Governance of risk

The Board has assigned oversight of the Group's risk management function to the Audit and Risk Committee. The Committee is assisted in this task by the internal Risk Management Committee, and where relevant, the IT Risk Management Committee.

Further detailed information on the governance of risk and members of the relevant sub-committees can be found in the Risk Management Report on page 24.

The Audit and Risk Committee members are of the opinion that all identified risks to the business are being well managed by the management team.

Internal audit

The Group does not have an internal audit department as envisaged by King III as the Board of Directors does not believe that, at this stage in the Group's development, the cost of a fully-fledged independent internal audit function is justified.

Management, the Board and the Audit and Risk Committee have taken responsibility for ensuring an appropriate internal control environment by properly identifying all material risks, both financial and other, and mitigating those through the implementation of appropriate controls and action plans.

Whilst there is not a specifically designated internal audit department, there are a number of specialised individuals, divisions and committees within the Group who review high risk areas on a continuous basis. This includes role players that are independent of the subsidiaries and/or business units that they review and audit. Furthermore, there is a specialised network of independent suppliers whose role assists in the audit of risk within the Group. In addition, the Group Exco team, during their visits to subsidiary companies, regularly review the internal controls adopted at subsidiary level for both adequacy and effectiveness.

The Audit and Risk Committee oversees the adequacy and effectiveness of controls through a process of robust and regular feedback from management, including quarterly risk reports from the Group Financial Director and Group Legal Advisor. The external audit function, as well as other external assurances (in areas such as tax, customs, IT, training and development, quality assurance, B-BBEE and employment equity to name a few), also provide a degree of comfort in that certain controls are reviewed during the course of these audits and any shortcomings identified are reported to the Audit and Risk Committee.

The Committee, together with management, ensures implementation of programmes for corrective action where necessary.

The Committee can affirm that nothing has come to its attention, or to the attention of the external auditors, that would indicate any material breakdown in the adequacy or effectiveness of the internal controls of the Group during the financial year.

The Audit and Risk Committee is satisfied that it complied with its legal, regulatory or other responsibilities.

Evaluation of the expertise and experience of the financial director and finance function

The Audit and Risk Committee has satisfied itself that the financial director has the appropriate experience and expertise.

The Audit and Risk Committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

WA Lombard
Chairman

14 May 2015

The Social and Ethics Committee is constituted as a statutory committee of Santova Limited in respect of its statutory duties in terms of section 72(4) of the Companies Act, 2008 ("the Companies Act") and as a committee of the Board in respect of all other duties assigned to it by the Board, which are set out in the Committee's Charter. A copy of the Charter may be found on the Company's website at www.santova.com.

COMMITTEE MEMBERS AND ATTENDANCE AT MEETINGS

The committee comprises of three independent non-executive directors and the Group Legal Advisor who collectively have sufficient qualifications, skills and experience to fulfil their duties. The committee is chaired by Tony Dixon, an independent non-executive director, who reports to the Board, on its proceedings and all significant matters after each meeting. The Chairman will be in attendance at the Annual General Meeting to report to shareholders. The Company Secretary is the secretary to this committee.

The committee must hold sufficient scheduled meetings to discharge all its duties but is subject to a minimum of two meetings per year in terms of its Charter. The composition of the committee, the number of meetings held and the attendance of the committee members at each meeting, is set out in the table below:

	28 July 2014	23 February 2015
Committee members		
AD Dixon *(Chairman)*	✔	✔
ESC Garner	✔	✔
AKG Lewis	✔	✔
WA Lombard	✔	✔

ROLE AND RESPONSIBILITY OF THE COMMITTEE

In terms of its Charter, the committee has the following functions:

- To assist the directors in discharging their responsibilities relating to social and economic development, good corporate citizenship, the environment, health and public safety, consumer relations, labour and employment.
- To act as an advisory committee and not an executive committee and as such shall not perform any management functions or assume any management responsibilities as well as having an objective role.
- To perform its duties on behalf of all the subsidiaries of Santova Limited.

The duties of the committee are as follows:

- To monitor the Group's activities with regard to matters set out in regulation 43(5)(a), which is discussed further below.
- To report to the shareholders at the Santova Limited Annual General Meeting on the matters within its mandate.
- To draw matters within its mandate to the attention of the Board as required.

The duties of the committee can be divided into three broad categories and include the following:

- Operational duties;
- Statutory duties; and
- Additional duties.

With the above mentioned functions and duties in mind, at each meeting, the committee receives a report from the Company on the following:

Key Risks – This includes, B-BBEE, employment equity, human resources (including basic head count, performance management and labour matters, years of service and a variety of other employee graphs and statistics), wellness, health and safety, culture and ethics (including a report on the gifts policy, the whistle blowing policy if applicable, and any other matters of ethical bearing), corporate social investment and socio-economic development, environment, quality, training and development and other related risks.

Developmental Areas – This includes any areas of current development by the committee. In this financial year this section was dominated by two major developments:

- The first was the further development of the Group's Social and Ethics Register which involved a detailed review of each element and sub-element making up the broad collection of laws, protocols and codes, referred to in section 72(4) of the Companies Act read with regulation 43(5)(a), relative to the Group's activities. The review process was conducted in stages and at the time of writing this report, the Social and Ethics Register review was in its final stage. This register will assist the committee in its overall evaluation of Group activities and risks.
- The second major development area was the redrafting of the Group's Vision, Purpose, Slogan, Culture and Values which principally took place in a strategic meeting of the Santova Limited Board of Directors and business unit leaders from around the world in September 2014. The new culture and other developed areas was communicated via 'roadshow' around South Africa, and internationally, either by 'roadshow' or at the strategic conference of the Santova Limited business unit leaders from around the world, in January 2015.

The report is supplemented by a detailed pack of information for the committee which contains the necessary statistics and graphs to provide the required assurance for the committee and the Board in all of the above areas. The ongoing evaluation of the relevant content that the committee should consider was a challenge for the committee due to the volume of data available in the areas under review. In the 2015 financial year, there was considerable effort placed by the committee on not only adjusting the content reviewed by the committee, but also the manner in which that content was presented, whether it be in the report, as a table of statistics, or in graph format.

The committee has been granted a variety of powers and resources by the Board in the Committee's Charter to assist it with the performance of its functions and duties. This includes access to employees and directors as well as external specialists or consultants, where necessary.

Whilst the committee reviews its own performance, the committee is also subject to an annual Board evaluation and review.

This report, the Sustainability Report on the Company's website, and the Annual Integrated Report in general, contain the relevant content that the committee is required to report to shareholders and stakeholders.

AD Dixon
Chairman of the Social and Ethics Committee

Durban
14 May 2015

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF SANTOVA LIMITED

The summarised consolidated financial statements of Santova Limited contained in the accompanying annual integrated report, which comprise the summarised consolidated statement of financial position as at 28 February 2015, the summarised consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and supplementary information, are derived from the audited annual consolidated financial statements of Santova Limited for the year ended 28 February 2015. We expressed an unmodified audit opinion on those annual consolidated financial statements in our report dated 14 May 2015. Our auditor's report on the audited annual consolidated financial statements contained an Other Matter paragraph "Other reports required by the Companies Act" (included below).

The summarised consolidated financial statements do not contain all the disclosures required by the International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements, therefore, is not a substitute for reading the audited annual consolidated financial statements of Santova Limited.

DIRECTORS' RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act of South Africa as applicable to summarised financial statements, and for such internal control as the directors determine is necessary to enable the preparation of the summarised consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Listings Requirements require preliminary reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council also, and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the summarised consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810, Engagements to Report on Summary Financial Statements.

OPINION

In our opinion, the summarised consolidated financial statements derived from the audited annual consolidated financial statements of Santova Limited for the year ended 28 February 2015 are consistent, in all material respects, with those annual consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports, and the requirements of the Companies Act of South Africa as applicable to summarised financial statements.

OTHER REPORTS REQUIRED BY THE COMPANIES ACT

The "other reports required by the Companies Act" paragraph in our audit report dated 14 May 2015 states that as part of our audit of the consolidated financial statements for the year ended 28 February 2015, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited annual consolidated financial statements. These reports are the responsibility of the respective preparers. The paragraph also states that, based on reading these reports, we have not identified material inconsistencies between these reports and the audited annual consolidated financial statements. The paragraph furthermore states that we have not audited these reports and accordingly do not express an opinion on these reports. The paragraph does not have an effect on the summarised consolidated financial statements or our opinion thereon.

OTHER MATTER

We have not audited future financial performance and expectations by management included in the accompanying summarised consolidated financial statements and accordingly do not express any opinion thereon.

Deloitte & Touche

Deloitte & Touche
Registered Auditors

Per: SD Munro
Partner

14 May 2015
2 Pencarrow Crescent, Pencarrow Park, La Lucia Ridge Office Estate, La Lucia, 4051

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION for the year ended 28 February 2015

	Notes	2015 R'000	2014 R'000
ASSETS			
Non-current assets		**140 652**	141 418
Plant and equipment		**7 933**	8 940
Intangible assets	3	**122 264**	123 927
Investments in subsidiaries		**–**	–
Financial assets		**3 235**	3 175
Deferred taxation		**7 220**	5 376
Current assets		**592 834**	555 123
Trade receivables		**495 162**	480 738
Other receivables		**52 738**	36 627
Current tax receivable		**45**	915
Amounts owing from related parties		**–**	–
Cash and cash equivalents		**44 889**	36 843
Total assets		**733 486**	696 541
EQUITY AND LIABILITIES			
Capital and reserves		**230 289**	198 510
Stated capital		**145 192**	145 192
Equity compensation reserve		**1 703**	565
Foreign currency translation reserve		**20 445**	24 320
Accumulated profit/(loss)		**59 090**	25 000
Attributable to equity holders of the parent		**226 430**	195 077
Non-controlling interests		**3 859**	3 433
Non-current liabilities		**20 500**	30 080
Interest-bearing borrowings		**18 800**	27 967
Long-term provision		**1 700**	1 777
Financial liabilities	5	**–**	336
Current liabilities		**482 697**	467 951
Trade and other payables		**174 501**	220 750
Current tax payable		**2 710**	4 180
Current portion of interest-bearing borrowings		**8 088**	7 947
Amounts owing to related parties		**216**	204
Financial liabilities	5	**1 447**	9 709
Short-term borrowings		**280 838**	208 321
Short-term provisions		**14 897**	16 840
Total equity and liabilities		**733 486**	696 541

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME for the year ended 28 February 2015

	Notes	2015 R'000	2014 R'000
Gross billings		**3 462 792**	3 221 519
Revenue		**237 033**	214 357
Other income		**16 758**	15 118
Depreciation and amortisation		**(3 311)**	(3 476)
Administrative expenses		**(188 799)**	(174 228)
Operating profit		**61 681**	51 771
Interest received		**8 686**	4 559
Finance costs		**(18 981)**	(16 316)
Profit before taxation		**51 386**	40 014
Income tax expense		**(12 166)**	(9 228)
Profit for the year		**39 220**	30 786
Attributable to:			
Equity holders of the parent		**38 525**	30 587
Non-controlling interests		**695**	199
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
– *Exchange differences arising from translation of foreign operations*		**(4 144)**	22 743
Total comprehensive income		**35 076**	53 529
Attributable to:			
Equity holders of the parent		**34 650**	53 122
Non-controlling interests		**426**	407
Basic earnings per share (cents)	2	**28,23**	22,42
Diluted basic earnings per share (cents)	2	**27,73**	22,12
Dividends per share (cents)		**4,25**	3,25

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended 28 February 2015

	Stated capital R'000	Equity compensation reserve R'000	Foreign currency translation reserve R'000	Accumulated (loss)/profit* R'000	**Total R'000**	Non-controlling interests R'000	**Total equity R'000**
	Attributable to equity holders of the parent						
Balances at 28 February 2013	145 192	115	1 785	(2 155)	144 937	3 026	147 963
Total comprehensive income	–	–	22 535	30 587	53 122	407	53 529
Share-based equity reserve charged to profit and loss	–	450	–	(21)	429	–	429
Dividends paid to shareholders	–	–	–	(3 411)	(3 411)	–	(3 411)
Balances at 28 February 2014	145 192	565	24 320	25 000	195 077	3 433	198 510
Total comprehensive income	**–**	**–**	**(3 875)**	**38 525**	**34 650**	**426**	**35 076**
Share-based equity reserve charged to profit and loss	**–**	**1 142**	**–**	**–**	**1 142**	**–**	**1 142**
Foreign currency differences on translation of share-based equity reserve	**–**	**(4)**	**–**	**–**	**(4)**	**–**	**(4)**
Dividends paid to shareholders	**–**	**–**	**–**	**(4 435)**	**(4 435)**	**–**	**(4 435)**
Balances at 28 February 2015	**145 192**	**1 703**	**20 445**	**59 090**	**226 430**	**3 859**	**230 289**

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 28 February 2015

	Notes	2015 R'000	2014* R'000
OPERATING ACTIVITIES			
Cash generated from operations		**53 685**	45 170
Interest received		**8 546**	4 559
Finance costs		**(18 978)**	(15 959)
Taxation paid		**(14 609)**	(10 102)
Net cash flows from operating activities		**28 644**	23 668
INVESTING ACTIVITIES			
Plant and equipment acquired		**(1 939)**	(3 328)
Intangible assets acquired and developed		**(1 076)**	(877)
Proceeds on disposals of plant and equipment and intangible assets		**496**	293
(Increase)/decrease in amounts owing from related parties		**–**	–
Dividends received		**1 200**	–
Net cash flows on acquisition of subsidiaries	3	**(3 438)**	(6 277)
Net cash flows from investing activities		**(4 757)**	(10 189)
FINANCING ACTIVITIES			
Borrowings repaid		**(9 439)**	(5 597)
Increase in amounts owing to related parties		**12**	37
Dividends paid		**(4 435)**	(3 411)
Net cash flows from financing activities		**(13 862)**	(8 971)
Net increase in cash and cash equivalents		**10 025**	4 508
Difference arising on translation		**(1 979)**	5 257
Cash and cash equivalents at beginning of year		**36 843**	27 078
Cash and cash equivalents at end of year		**44 889**	36 843

* *Restated due to change in accounting policy detailed in note 4.*

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Logistics Services R'000	Financial Services R'000	Head office R'000	**Total R'000**
BUSINESS SEGMENTS				
28 February 2015				
Gross billings	**3 533 024**	**9 795**	**33 200**	**3 576 019**
External	**3 453 598**	**8 633**	**561**	**3 462 792**
Internal	**79 426**	**1 162**	**32 639**	**113 227**
Revenue	**228 047**	**9 795**	**(809)**	**237 033**
Depreciation and amortisation	**2 145**	**38**	**1 129**	**3 311**
Operating profit	**55 106**	**3 769**	**2 806**	**61 681**
Interest received	**9 642**	**472**	**(1 428)**	**8 686**
Finance costs	**(19 050)**	**–**	**69**	**(18 981)**
Income tax expense	**(11 426)**	**(778)**	**38**	**(12 166)**
Profit for the year	**34 272**	**3 463**	**1 485**	**39 220**
Total assets	**661 452**	**9 858**	**62 176**	**733 486**
Total liabilities	**517 846**	**1 461**	**(16 110)**	**503 197**
28 February 2014*				
Gross billings	3 285 935	8 967	25 771	3 320 673
External	3 213 438	7 991	90	3 221 519
Internal	72 497	976	25 681	99 154
Revenue	206 367	8 967	(976)	214 357
Depreciation and amortisation	2 506	34	936	3 476
Operating profit	49 189	3 824	(1 242)	51 771
Interest received	5 218	276	(935)	4 559
Finance costs	(16 196)	–	(120)	(16 316)
Income tax expense	(9 437)	(836)	1 045	(9 228)
Profit for the year	28 774	3 264	(1 252)	30 786
Total assets	607 952	7 801	80 788	696 541
Total liabilities	497 738	1 651	(1 358)	498 031

* *During the period under review the Group resolved to change the composition of its reportable segments by disclosing the business activities of the Group's head office, together with the elimination results that arise on consolidation of the Group, in a separate segment. In prior reporting periods these business activities were reported as part of the Logistics Services segment within the South African geographical region. The Group believes that the economic characteristics of the services provided by the Group head office are no longer sufficiently similar to that of the Logistics Service segment and therefore should no longer be aggregated. In addition the Group believes that this change will better enable users to evaluate the financial effects of the business activities within the Logistics Services segment. This change in disclosure did not arise from changes in the internal structure of the Group.*

In accordance with IFRS 8 Operating Segments, the prior year comparative amounts have been fully restated so as to be disclosed on the new basis.

	South Africa R'000	Australia R'000	United Kingdom R'000	Europe R'000	Hong Kong R'000	**Total R'000**
	LOGISTICS SERVICES					
GEOGRAPHICAL SEGMENTS						
28 February 2015						
Gross billings	**2 842 967**	**168 359**	**214 871**	**279 953**	**26 874**	**3 533 024**
Revenue	**136 251**	**16 578**	**32 590**	**37 235**	**5 393**	**228 047**
Net profit	**15 780**	**2 775**	**5 765**	**7 944**	**2 008**	**34 272**
Total assets	**534 357**	**22 814**	**46 392**	**44 335**	**13 554**	**661 452**
Total liabilities	**445 820**	**8 038**	**28 885**	**31 628**	**3 475**	**517 846**
28 February 2014*						
Gross billings	2 757 269	115 969	203 981	179 668	29 048	3 285 935
Revenue	129 411	12 250	32 802	26 457	5 447	206 367
Net profit	15 074	777	7 722	3 052	2 149	28 774
Total assets	512 742	18 107	39 669	25 636	11 798	607 952
Total liabilities	441 508	5 023	26 708	20 212	4 287	497 738

* *During the period under review the Group resolved to change the composition of its reportable segments by disclosing the business activities of the Group's head office, together with the elimination results that arise on consolidation of the Group, in a separate segment. In prior reporting periods these business activities were reported as part of the Logistics Services segment within the South African geographical region. The Group believes that the economic characteristics of the services provided by the Group head office are no longer sufficiently similar to that of the Logistics Service segment and therefore should no longer be aggregated. In addition the Group believes that this change will better enable users to evaluate the financial effects of the business activities within the Logistics Services segment. This change in disclosure did not arise from changes in the internal structure of the Group.*

In accordance with IFRS 8 Operating Segments, the prior year comparative amounts have been fully restated so as to be disclosed on the new basis.

1. BASIS OF PREPARATION

The summarised consolidated financial statements for the year ended 28 February 2015 have been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee, and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited, the information required IAS 34: Interim Financial Reporting, and the requirements of the South African Companies Act, No 71 of 2008.

The Group's accounting policies are consistent with those applied in the annual financial statements for the year ended 28 February 2014, except for the voluntary change in accounting policy as noted below and on the segmental analysis.

The financial information in this Annual Integrated Report was prepared under the supervision of the Group Financial Director, DC Edley, CA(SA).

		2015 R'000	2014 R'000
2. EARNINGS PER SHARE			
Reconciliation between earnings and headline earnings			
Profit attributable to equity holders of the parent		**38 525**	30 587
Net (profit)/loss on disposals of plant and equipment		**(130)**	94
Impairment of goodwill		**3 892**	3 131
Derecognition of financial liability		**–**	–
Taxation effects		**19**	(18)
Minority Interest		**–**	9
Headline earnings		**42 306**	33 803
Basic earnings per share	(cents)	**28,23**	22,42
Headline earnings per share	(cents)	**31,00**	24,77
Weighted average number of shares	(000s)	**136 459**	136 459
Diluted weighted average number of shares	(000s)	**138 939**	138 285

The difference between earnings per share and diluted earnings per share is due to the impact of share options that are yet to vest under the Group's share option scheme.

	2015 R'000	2014 R'000
3. INTANGIBLE ASSETS		
Goodwill movement:		
Carrying value at beginning of year	**120 821**	106 878
Acquisition of Masterfreight Internationale Spedition GmbH	**4 050**	–
Impairment of investment in Santova Logistics B.V.	**–**	–
Impairment of investment in W.M. Shipping Limited	**(3 892)**	(3 131)
Translation of foreign operations	**(2 035)**	17 074
Carrying value at end of year	**118 944**	120 821
Carrying value of computer software and trademarks	**3 320**	3 106
Total intangible assets	**122 264**	123 927

Acquisition of Masterfreight Internationale Spedition GmbH ("Masterfreight")

Effective 1 December 2014, the Group acquired the entire issued share capital of Masterfreight, operating primarily as an airfreight importer and exporter out of Frankfurt, Germany. The acquisition is in line with the Group's strategy to expand its footprint in Europe.

The acquisition was concluded for a purchase price of R4 638 787, to be settled entirely in cash as follows:

- R paid upfront by Santova Administration Services, the Group's designated domestic treasury company, using a loan from the holding company for the full amount; and
- One separate contingent payment payable after a 12-month period based on a warranted annual profit being achieved, amounting to a net present value on acquisition date of R1 051 749.

The fair value, on acquisition date, of the assets acquired was R629 774 and the R4 049 947 by which the purchase price exceeds the fair value of the assets acquired, attributable to the business processes and procedures, the quality and experience of management and the customer base, all of which are expected to generate returns for the Group, has been recognised as goodwill.

4. VOLUNTARY CHANGE IN ACCOUNTING POLICIES

The following voluntary change in accounting policy, in terms of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8"), has been applied during the period under review resulting in the restatement and reclassification of certain comparatives for the year ended 28 February 2015.

IAS 7 Statement of Cash Flows – Reclassification of the proceeds from the sale of short-term receivables from financing activities to operating activities

The proceeds received from the sale of short-term receivables have previously been disclosed as a financing cash flow in the Group's Statement of Cash Flows. During the period under review, the Group's management resolved to account for such proceeds in its Statement of Cash Flows as an operating cash flow. The Group generates interest revenue through the provision of short-term finance facilities to clients for logistics related recoverable disbursements, effectively acting as a financial institution. The Group's management regard this as a principal revenue producing activity. The Group funds these short-term receivables through the ongoing sale of such receivables to its principal banker via an invoice discounting facility, on which it incurs an interest expense.

The Group believes that this change will result in more relevant and reliable information being presented in respect of its cash flows by matching all the related capital inflows and outflows and interest income and expense associated with this principal revenue producing activity and disclosing these as operating cash flows. As required by IAS 8, this change in accounting policy has been retrospectively applied, resulting in the restatement of the Group's Statement of Cash Flows as disclosed below. The change in policy has not resulted in any changes or restatement to the Group's Statement of Financial Position or Statement of Profit or Loss and Other Comprehensive Income.

	2014 R'000	2013 R'000
STATEMENT OF CASH FLOWS		
As previously reported		
Net cash flows from operating activities	(48 508)	13 394
Net cash flows from financing activities	63 205	41 217
As currently reported		
Net cash flows from operating activities	23 668	14 528
Net cash flows from financing activities	(8 971)	40 083
Impact of the change		
Net cash flows from operating activities	72 176	1 134
Net cash flows from financing activities	(72 176)	(1 134)

FINANCIAL REPORTS

5. FAIR VALUE DISCLOSURE FOR FINANCIAL INSTRUMENTS

The Group recognised the following financial liabilities in the statement of financial position measured at fair value using significant unobservable inputs (level 3 inputs):

	2015 R'000	2014 R'000
Current portion of contingent purchase considerations on acquisitions	**990**	7 046

This represents the present value of the remaining contingent purchase obligation arising from the acquisition of Masterfreight Internationale Spedition GmBH (Germany). The fair value of the liability was calculated as the net present value of the warranty payment as set out in the agreement of sale, discounted at the weighted average cost of capital for the acquired entity of 1,04%. The financial liability related to this acquisition can be reconciled as follows:

	R'000
Financial liability raised during the year	1 052
Interest on present value calculation	2
Foreign exchange gain on translation	(64)
Financial liability at end of year	990

The prior year amount represents the present value of the remaining contingent purchase obligation arising from the acquisition of W.M. Shipping Limited (United Kingdom). The profit warranty period came to an end during the current financial year and the financial liability to the sellers was settled to the extent the profit warranties were met, with the balance being released to profit or loss.

There were no other material adjustments to fair values of financial instruments during the year.

6. EVENTS AFTER THE REPORTING PERIOD

There are no material events which have taken place after the reporting period for which non-disclosure would affect the ability of the users to make proper evaluations and decisions.

FIVE YEAR FINANCIAL REVIEW

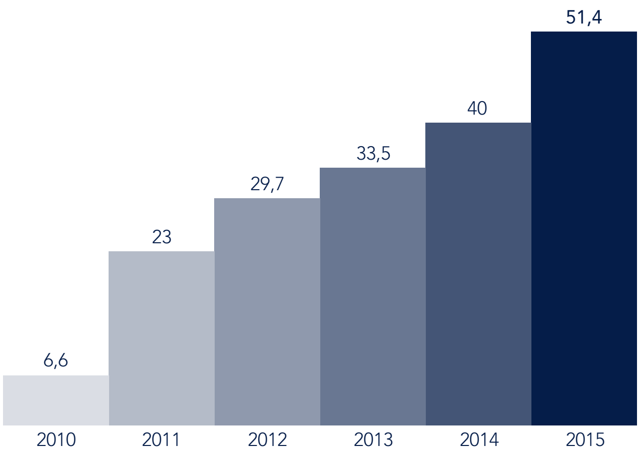
		2015	2014	2013	2012	2011
PROFITABILITY						
Gross billings	(R'000)	**3 462 792**	3 221 519	2 637 920	2 603 771	2 042 715
Revenue	(R'000)	**237 033**	214 357	176 651	165 006	142 423
Operating profit before interest and taxation	(R'000)	**61 681**	51 771	40 810	39 226	31 534
Profit for the year	(R'000)	**39 220**	30 786	25 097	22 499	17 325
Profit attributable to equity holders of the parent	(R'000)	**38 525**	30 587	24 688	22 079	16 964
FINANCIAL POSITION						
Net assets	(R'000)	**230 289**	198 510	147 963	123 699	103 415
Tangible net assets	(R'000)	**108 025**	74 583	38 080	63 343	43 425
Capital and reserves attributable to equity holders of the parent	(R'000)	**226 430**	195 077	144 937	121 352	101 735
FINANCIAL RATIOS						
Return on average ordinary shareholders' funds	(%)	**18,3**	18,0	18,5	19,8	4,9
Return on net assets	(%)	**17,0**	15,5	17,0	18,2	16,8
Return on tangible net assets	(%)	**36,3**	41,3	65,9	35,5	39,9
Revenue/billings margin	(%)	**6,8%**	6,7%	6,7%	6,3%	7,0%
Operating margin	(%)	**26,0**	24,2	23,1	23,8	22,1
Interest cover	(ratio)	**5,99**	4,40	5,56	4,14	3,68
Current ratio	(ratio)	**2,71**	2,00	1,83	2,18	2,01
ORDINARY SHARE PERFORMANCE*						
Ordinary shares in issue at year end	(000's)	**136 459**	136 459	136 459	134 277	137 613
Share commitments at year end	(000's)	**–**	–	–	2 182	2 770
Basic earnings per share	(cents)	**28,23**	22,42	18,09	15,82	12,55
Headline earnings per share	(cents)	**31,00**	24,77	17,66	15,99	10,65
Diluted basic earnings per share**	(cents)	**27,73**	22,12	18,00	15,82	12,29
Diluted headline earnings per share**	(cents)	**30,45**	24,45	17,57	15,99	10,43
Dividend per share	(cents)	**4,25**	3,25	2,50	–	–
Dividend cover	(times)	**6,6**	6,9	7,2	–	–
Dividend yield	(%)	**1,22**	1,89	2,36	–	–
CLOSING SHARE PRICE AT YEAR END						
– Actual	(cents)	**348**	172	106	81	8
– Adjusted for 10 to 1 share consolidation*	(cents)	**n/a**	n/a	n/a	n/a	80
Net asset value per share	(cents)	**168,76**	145,47	108,43	92,12	75,15
Tangible net asset value per share	(cents)	**79,16**	54,66	27,91	47,17	31,56
Net worth per share	(cents)	**165,93**	142,96	106,21	90,37	73,93
Market capitalisation at year end	(R'000)	**474 878**	234 710	144 647	108 764	110 090

* *During the 2012 financial year, the Group consolidated its shares on a 10 to 1 basis. In order to maintain comparability with prior years, these amounts have been adjusted as if the share consolidation occurred at the beginning of the 2011 financial year.*

** *The difference between earnings per share and diluted earnings per share is due to the impact of share options that are yet to vest under the Group's share option scheme.*

	2015 R'000	2014 R'000	2013 R'000	2012 R'001	2011 R'000
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets	**140 652**	141 418	123 183	75 373	73 835
Current assets	**592 834**	555 123	434 902	342 630	273 540
Total assets	**733 486**	696 541	558 085	418 379	347 876
Liabilities					
Non-current liabilities	**20 500**	30 080	49 516	5 021	5 759
Current liabilities	**482 697**	467 951	360 606	289 284	238 200
Total liabilities	**503 197**	498 031	410 122	294 680	244 461
Capital and reserves	**230 289**	198 510	147 963	123 699	103 415
Total equity and liabilities	**733 486**	696 541	558 085	418 379	347 876
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Gross billings	**3 462 792**	3 221 519	2 637 920	2 603 771	2 042 715
Revenue	**237 033**	214 357	176 651	165 006	142 423
Operating profit before interest and taxation	**61 681**	51 771	40 810	39 226	31 534
Net interest paid	**(10 295)**	(11 757)	(7 340)	(9 470)	(8 565)
Profit before taxation	**51 386**	40 014	33 470	29 756	22 969
Income tax expense	**(12 166)**	(9 228)	(8 373)	(7 257)	(5 644)
Net profit for the year	**39 220**	30 786	25 097	22 499	17 325

Profit before taxation (R million)



SHAREHOLDER ANALYSIS

	Number of shareholders	%	Number of shares	%
SHAREHOLDER SPREAD				
1 – 1 000 shares	**516**	**19,43**	**275 249**	**0,20**
1 001 – 10 000 shares	**1 267**	**47,70**	**5 916 086**	**4,34**
10 001 – 100 000 shares	**729**	**27,45**	**25 361 509**	**18,59**
100 001 – 1 000 000 shares	**124**	**4,67**	**34 869 067**	**25,55**
1 000 001 shares and over	**20**	**0,75**	**70 037 497**	**51,32**
Totals	**2 656**	**100,00**	**136 459 408**	**100,00**
DISTRIBUTION OF SHAREHOLDERS				
Banks	**10**	**0,38**	**16 686 708**	**12,23**
Close corporations	**33**	**1,24**	**1 903 210**	**1,39**
Endowment funds	**13**	**0,49**	**1 066 109**	**0,78**
Individuals	**2 366**	**89,08**	**66 167 915**	**48,49**
Insurance company	**1**	**0,04**	**534 173**	**0,39**
Investment companies	**10**	**0,38**	**5 712 689**	**4,19**
Mutual funds	**14**	**0,53**	**13 666 564**	**10,02**
Other corporations	**29**	**1,09**	**571 885**	**0,42**
Private companies	**53**	**2,00**	**10 977 489**	**8,04**
Public company	**2**	**0,08**	**628 000**	**0,46**
Retirement funds	**3**	**0,11**	**162 017**	**0,12**
Trusts	**122**	**4,59**	**18 382 649**	**13,47**
Totals	**2 656**	**100,00**	**136 459 408**	**100,00**
PUBLIC/NON-PUBLIC SHAREHOLDERS				
Non-public shareholders	**16**	**0,60**	**26 152 044**	**19,16**
Public shareholders	**2 640**	**99,40**	**110 307 364**	**80,84**
Totals	**2 656**	**100,00**	**136 459 408**	**100,00**
BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE				
Van Zyl, AL			**18 202 715**	**13,34**
Morgan Stanley (Custodian)			**7 306 171**	**5,35**
SIX SIS (Custodian)			**7 300 000**	**5,35**
Totals			**32 808 886**	**24,04**

BREAKDOWN OF NON-PUBLIC HOLDINGS

	Number of shares	%
Directors' Beneficial Holdings		
Dixon, AD	280 000	0,21
Edley, DC	170 000	0,12
Integrated Technologies (Pty) Ltd	170 000	0,12
Garner, ESC	300 000	0,22
Delmas Crushers Cc	300 000	0,22
Gerber, GH	2 588 829	1,90
Gerber, GH	87 500	0,06
Lloyd Investment Trust	2 501 329	1,83
Lombard, WA	26 800	0,02
Van Zyl, AL	18 202 715	13,34
Totals	**21 568 344**	**15,81**
Directors of Subsidiary Companies' Beneficial Holdings		
Crews, GH	237 300	0,17
Lewis, AKG	5 000	0,00
Notelovitz, L	72 333	0,05
Singh, R	3 050 000	2,24
Rajin Singh Family Trust	3 000 000	2,20
Singh, R	50 000	0,04
Stay, GW	1 219 067	0,89
Totals	**4 583 700**	**3,36**

No non-beneficial interests were held by any of the directors.

There have been no changes in the above interests since the financial year end and the date of approval of the financial statements.

SHAREHOLDERS' CALENDAR

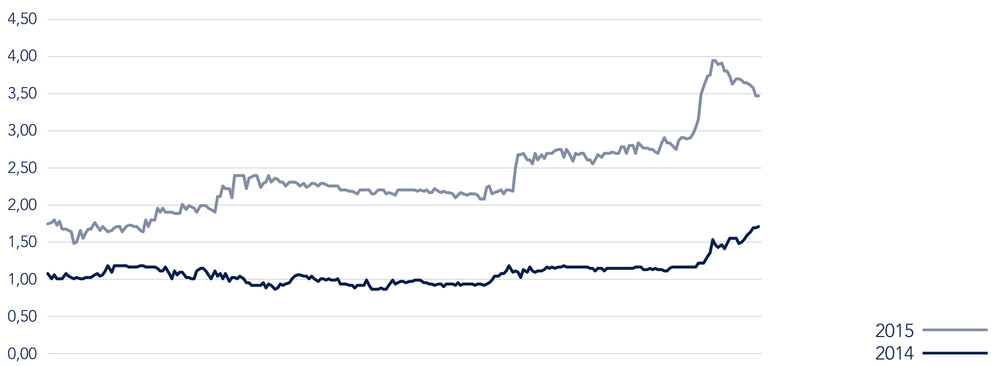
Activity	Date
Financial year-end	28 February
Release of trading update	16 April 2015
Release of abridged Group results on SENS	14 May 2015
Publication of Group results in the press	15 May 2015
Investor presentation in Johannesburg	14 May 2015
Dispatch of 2015 Annual Integrated Report	28 May 2015
Last day to trade – *cum* dividend	17 July 201 5
Shares commence trading – *ex* dividend	20 July 2015
Record date for the dividend	24 July 2015
Payment date of the dividend	27 July 2015
2015 Annual General Meeting	28 July 2015
Release of interim statements for the six months ending 31 August 2015	October 2015

SHARE PERFORMANCE

Year	Month	High sale	Low sale	Number of deals	Volume	Value
SANTOVA LIMITED ANALYSIS OF TRADES						
2014	March	182	145	662	7 219 306	11 526 652
2014	April	195	160	334	2 543 865	4 432 829
2014	May	205	180	451	4 847 036	9 339 617
2014	June	250	199	1 014	6 593 621	14 843 107
2014	July	240	220	414	3 965 307	9 019 041
2014	August	225	200	437	2 189 771	4 719 335
2014	September	222	209	278	1 769 344	3 810 061
2014	October	300	170	830	5 105 766	11 172 120
2014	November	290	179	754	3 796 657	9 857 455
2014	December	283	250	325	1 725 546	4 605 391
2015	January	322	260	1 031	6 081 482	17 330 861
2015	February	399	322	1 590	5 297 015	19 459 140
				8 120	51 134 716	120 115 610

Market data		Statistics 2015	Statistics 2014
JSE STATISTICS			
Traded price			
Close	(cents per share)	**348**	172
High	(cents per share)	**399**	180
Low	(cents per share)	**145**	0,8
Market capitalisation	(Rands)	**474 878 733**	234 710 178
Value of shares traded	(Rands)	**120 115 610**	102 939 573
Value traded as percentage of market capital	(percentage)	**25,29**	43,86
Volume of shares traded	(shares)	**51 134 716**	94 845 185
Volume traded as percentage of number in issue	(percentage)	**37,47**	69,50
Price earnings ratio	(ratio)	**12,33**	7,67
Dividends per share	(cents)	**4,25**	3,25
Dividend yield	(percentage)	**1,22**	1,89
Earnings yield	(percentage)	**8,11**	13,03
Year end market price/net asset value	(ratio)	**2,06**	1,18
Shares in issue at end of year	(shares)	**136 459 408**	136 459 408
Number of shareholders	(number)	**2 656**	1 433

Share price movements (Rand)



SHAREHOLDER INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN to shareholders as recorded in the Company's securities register on 24 July 2015 that the Annual General Meeting of the shareholders of Santova Limited will be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban on Tuesday, 28 July 2015 at 12:00 for the purposes of considering and, if deemed fit, passing with or without modification, the ordinary and special resolutions set out hereunder in the manner required by the Companies Act, 71 of 2008 ("the Companies Act"), as read with the Listings Requirements of JSE Limited ("JSE Listings Requirements").

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The audited annual financial statements of the Company and the Group for the year ended 28 February 2015 (as approved by the Board of Directors of the Company), including the Directors' Report, the Report of the Auditors and the Report of the Audit and Risk Committee, to be presented to shareholders.

THE PERCENTAGE OF VOTING RIGHTS REQUIRED FOR ORDINARY RESOLUTON NUMBERS 1 TO 5 TO BE ADOPTED IS 50% (FIFTY PERCENT) OR MORE OF THE VOTING RIGHTS EXERCISEABLE ON THESE RESOLUTIONS.

1. ORDINARY RESOLUTION NUMBER 1 – RE-ELECTION OF WA LOMBARD AS A DIRECTOR DUE TO ROTATION

"That WA Lombard, who is required to retire by rotation at this Annual General Meeting in terms of Article 14.2 of the Company's Memorandum of Incorporation, but being eligible has offered himself for re-election, is hereby reappointed as a director of the Company with immediate effect."

Explanatory note to ordinary resolution number 1

Article 14.2 of the Company's Memorandum of Incorporation requires that one-third of the non-executive directors retire at each Annual General Meeting. The eligibility and performance of WA Lombard for re-election has been assessed by the Remuneration and Nominations Committee. The Board has accepted the assessment and recommends that WA Lombard, who has offered himself for re-election, be re-elected. A profile of WA Lombard can be found on page 19 of this Annual Integrated Report.

2. ORDINARY RESOLUTION NUMBER 2 – ELECTION OF AUDIT AND RISK COMMITTEE MEMBERS

"That the shareholders re-elect the following independent non-executive directors as members of the Company's Audit and Risk Committee to remain members until the conclusion of the next Annual General Meeting of the Company:

- Anthony David Dixon
- Edward Sephton Clayton Garner
- Warwick Adrian Lombard"

Explanatory note to ordinary resolution number 2

Section 94(2) of the Companies Act requires that a company that is required to have an audit committee must elect an audit committee at each Annual General Meeting. The three members standing for re-election meet the conditions of eligibility set out in sections 94(4) and (5) of the Companies Act and Regulation 42 of the Companies Regulations 2011 and are recommended to shareholders for re-election.

The profiles of the committee members standing for re-election as outlined in ordinary resolution number 2 above appear on page 19 of this Annual Integrated Report.

3. ORDINARY RESOLUTION NUMBER 3 – RE-APPOINTMENT OF DELOITTE & TOUCHE AS INDEPENDENT AUDITORS AND THE APPOINTMENT OF B BOTES AS REGISTERED AUDIT PARTNER OF THE COMPANY

"That the re-appointment of Deloitte & Touche, as recommended by the Company's Audit and Risk Committee, as independent auditors of the Company, and the appointment of B Botes as the registered partner, to hold office until the conclusion of the next Annual General Meeting of the Company, be and are hereby approved."

Explanatory note to ordinary resolution number 3

S Munro, the Deloitte & Touche appointee in terms of S44(1) of the Auditing Professions Act to be responsible for performing the functions of auditor, has served his allowable tenure in that capacity and is required to cease serving as auditor in terms of section 92 of the Companies Act. Shareholders are therefore being asked to approve the appointment of B Botes of Deloitte & Touche as the new audit partner for the ensuing financial year.

4. ORDINARY RESOLUTION NUMBER 4 – NON-BINDING ADVISORY ENDORSEMENT ON THE COMPANY'S REMUNERATION POLICY

"That the Company's remuneration policy (excluding the remuneration of the non-executive and independent directors for their services as directors and members of Board committees) as set out in the Remuneration Report on page 26 of this Annual Integrated Report, is hereby endorsed on a non-binding advisory basis."

Explanatory note to the advisory endorsement

King III recommends that the remuneration policy be tabled to shareholders for a non-binding advisory vote at each Annual General Meeting.

5. **ORDINARY RESOLUTION NUMBER 5 – UNISSUED SHARES TO BE PLACED UNDER THE CONTROL OF THE DIRECTORS**

"That the authorised but unissued ordinary shares in the capital of the Company are hereby placed under the control and authority of the directors of the Company. Subject to the provisions of any applicable legislation and the JSE Listings Requirements, the directors are hereby authorised and empowered to allot and issue all or any of such ordinary shares to such person or persons on such terms and conditions and at such times as the directors may, from time to time, in their discretion deem fit."

Motivation for ordinary resolution number 5

In terms of the Company's Memorandum of Incorporation, the shareholders of the Company are required to approve the placement of the unissued ordinary shares under the control of the directors.

THE PERCENTAGE OF VOTING RIGHTS REQUIRED FOR ORDINARY RESOLUTON NUMBERS 6 AND 7 AND SPECIAL RESOLUTION NUMBERS 1 TO 3 TO BE ADOPTED IS 75% (SEVENTY-FIVE PERCENT) OR MORE OF THE VOTING RIGHTS EXERCISEABLE ON THESE RESOLUTIONS.

6. **ORDINARY RESOLUTION NUMBER 6 – GENERAL AUTHORITY TO ISSUE SHARES, AND TO SELL TREASURY SHARES, FOR CASH**

"That the directors of the Company and/or any of its subsidiaries, from time to time, be and they are hereby authorised, by way of a general authority, to:

- Allot and issue equity securities or options in respect of 15% of the authorised but unissued ordinary shares in the capital of the Company which equates to 20 468 911 ordinary shares; and/or
- Sell or otherwise dispose of or transfer, or issue any options in respect of, equity securities in the capital of the Company purchased by subsidiaries of the Company;

for cash, to such person/s on such terms and conditions and at such times as the directors in their discretion deem fit, subject to the requirements of the Companies Act, the Memorandum of Incorporation of the Company, the JSE Listings Requirements and the following limitations:

- the equity securities and/or options which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- any such issue may only be made to public shareholders as defined by the JSE Listings Requirements and not to related parties;
- securities which are the subject of a general issue for cash may not exceed 15% (fifteen percent) of the applicant's listed equity securities as at the date of the notice of Annual General Meeting seeking the general issue for cash authority, provided that:
  - (i) this general authority shall be valid until the earlier of the Company's next Annual General Meeting or expiry of a period of 15 (fifteen) months from the date that this authority is given;
  - (ii) the calculation of the applicant's listed equity securities must be a factual assessment of the applicant's listed equity securities as at the date of the notice of Annual General Meeting, excluding treasury shares;
  - (iii) the specific number of shares representing the number up to 15% of the applicant's listed equity securities as at the date of the notice of Annual General Meeting must be included as a number in the resolution seeking the general issue for cash authority;
  - (iv) any equity securities issued under the authority during the period from the date of granting of the authority until the date of the next Annual General Meeting or 15 months from the granting of the authority, whichever period is shorter, must be deducted from such number in (iii) above; and
  - (v) in the event of a sub-division or consolidation of issued equity securities during the period contemplated in (iv) above, the existing authority must be adjusted accordingly to represent the same allocation ratio;
- the maximum discount at which equity securities may be issued is 10% of the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities. The JSE should be consulted for a ruling if the applicant's securities have not traded in such 30-business day period;
- approval of the general issue for cash ordinary resolution, by achieving a 75% majority of the votes cast;
- a SENS announcement giving full details, including in the case of options/convertible securities the impact on the net asset value per share, tangible net asset value per share, earnings per share and headline earnings per share, will be published when the Company has issued ordinary shares representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) or more of the number of ordinary shares in issue prior to the issue;
- whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the JSE Listings Requirements as if such use was a fresh issue of ordinary shares; and

- approval of the general issue for cash resolution is achieved by a 75% majority of the votes cast in favour of such resolution by all equity securities holders present or represented by proxy at the general meeting convened to approve such resolution. The resolution must be worded in such a way as to include the issue of any options/convertible securities that are convertible into an existing class of equity securities, where applicable."

7. ORDINARY RESOLUTION NUMBER 7 – APPROVAL OF THE SANTOVA SHARE OPTION SCHEME NUMBER 2

(i) "THAT the Santova Share Option Scheme Number 2 ("the Share Option Scheme 2") is hereby approved and adopted; and

(ii) any director of the Company be and hereby is authorised to do all such things as he considers necessary or desirable to give effect to this resolution."

Motivation for special resolution number 7

In accordance with Schedule 14 of the JSE Listings Requirements, shareholder approval is required for any share incentive plan. The principal terms of the Santova Share Option Scheme Number 2 are summarised on page 54 of the Annual Integrated Report. A copy of the rules of the Scheme is available for inspection during normal business hours at the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 or at the Company's office at Building D, Stoneridge Office Park, 8 Greenstone Place, Greenstone from 31 May to 24 July 2015."

The Santova Share Option Scheme Number 2 will run concurrently with the existing Santova Share Option Scheme as a second performance linked share incentive plan for executive directors and other senior employees. The Santova Share Option Scheme Number 2 is recommended to shareholder to incentivise performance and execution of the Company's strategic goals, to ensure that performance-linked remuneration reflects the emerging regulatory environment, to create alignment with shareholder interests and to focus on sustained growth for all stakeholders.

8. SPECIAL RESOLUTION NUMBER 1 – REMUNERATION OF INDEPENDENT AND NON-EXECUTIVE DIRECTORS

"That in terms of section 66(9) of the Companies Act and with immediate effect and until the conclusion of the next Annual General Meeting in 2016, the fees payable to the independent and non-executive directors of the Company for their services as directors be approved as follows:"

Board/Committee		Present	Proposed
Board of Directors	Chairman	R330 000[1]	**R363 000**
	Non-executive directors	R10 725[2]	**R12 000**
Audit and Risk Committee	Chairman	R19 965[2]	**R22 000**
	Member	R9 240[2]	**R10 000**
Remuneration and Nominations Committee	Chairman	R4 950[2]	**R6 000**
	Member	R2 310[2]	**R3 000**
Social and Ethics Committee	Chairman	R4 950[2]	**R6 000**
	Member	R2 310[2]	**R3 000**

1 *Annual fee which includes attendance at all Board and committee meetings.*

2 *Fees per meeting attended.*

Explanatory note to special resolution number 1

In terms of section 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors, for their services as directors, in accordance with a special resolution approved by the shareholders within the previous two years and if not prohibited in terms of the Company's Memorandum of Incorporation.

Special resolution number 1 is required in order to obtain the approval of the Company in general meeting of the remuneration payable to the independent and non-executive directors for the period commencing immediately after this Annual General Meeting and ending at the conclusion of the next Annual General Meeting. Increases in remuneration are implemented only after formal approval has been obtained.

9. **SPECIAL RESOLUTION NUMBER 2 – GENERAL AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE IN TERMS OF SECTION 44**

"To the extent required by section 44 of the Companies Act, the Board of Directors of the Company ("the Board") may, subject to compliance with the provisions of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, as a general authority authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or a related or inter-related company, to any one or more present or future related or inter-related companies or corporations of the Company provided that the provision of financial assistance is pursuant to an employee share scheme that satisfies the provisions of section 97 of the Companies Act; the Board has applied the solvency and liquidity tests as set out in section 4 of the Companies Act and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company, for a period of one year until the conclusion of the next Annual General Meeting."

Explanatory note to special resolution number 2

The reason for, and effect of this special resolution number 2 is to obtain the necessary approvals from shareholders to allow the Company to provide financial assistance in accordance with the provisions of section 44 of the Companies Act, as and when required. This special resolution does not authorise the provision of financial assistance to a director and/or prescribed officer of the Company other than that necessary in terms of the approved Santova Share Option Schemes and other means of incentivising senior employees that falls within the ambit of the wording of the above special resolution.

10. **SPECIAL RESOLUTION NUMBER 3 – GENERAL AUTHORITY FOR THE PROVISION OF FINANCIAL ASSISTANCE IN TERMS OF SECTION 45**

"To the extent required by section 45 of the Companies Act, the Board of Directors of the Company ("the Board") may, subject to compliance with the provisions of the Company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, by way of a general authority authorise the Company to provide at any time and from time to time any direct or indirect financial assistance to any one or more present or future related or inter-related companies or corporations of the Company, for a period of one year until the conclusion of the next Annual General Meeting."

Explanatory note to special resolution number 3

The reason for and effect of this special resolution number 3 is to obtain the necessary approvals from shareholders to allow the Company to provide financial assistance to the Company's related or inter-related companies in accordance with the provisions of section 45 of the Companies Act, as and when required in the ordinary course of business. This special resolution does not authorise the provision of financial assistance to a director and/or prescribed officer of the Company.

11. **SPECIAL RESOLUTION NUMBER 4 – GENERAL AUTHORITY TO BUY OWN SHARES**

"That the Company or any subsidiary of the Company may, subject to the Companies Act, the Company's Memorandum of Incorporation and the JSE Listings Requirements and any other stock exchange upon which the securities in the capital of the Company may be quoted or listed from time to time, repurchase ordinary shares issued by the Company, provided that this authority shall be valid only until the date of the next Annual General Meeting of the Company or for 15 (fifteen) months from the date of the resolution, whichever is the shorter, and may be varied by a special resolution at any general meeting of the Company at any time prior to the Annual General Meeting."

It is recorded that the Company or any subsidiary of the Company may only make a general repurchase of ordinary shares if:

- any such acquisition of ordinary shares is effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- the Company is so authorised by its Memorandum of Incorporation;
- the Company is authorised thereto by its shareholders in terms of a special resolution of the Company in general meeting, which authorisation shall only be valid until the Company's next Annual General Meeting or 15 (fifteen) months from the date of passing of this special resolution, whichever is the shorter;
- the repurchases are made at a price no greater than 10% (ten percent) above the volume weighted average of the market value for such securities for the 5 (five) business days immediately preceding the date on which the repurchase is effected;
- at any point in time, the Company may only appoint one agent to effect any repurchases on the Company's behalf;
- the Company or its subsidiaries do not repurchase securities during a prohibited period defined in terms of the JSE Listings Requirements, unless it has a repurchase programme where the dates and qualities of securities to be trading during the relevant period are fixed (not subject to any variation) and full details of the programme have been disclosed in an announcement on SENS prior to the commencement of the prohibited period;
- a paid press announcement, containing full details of such repurchases is published as soon as the Company has repurchased ordinary shares constituting, on a cumulative basis, 3% (three per cent) or the number of securities in issue prior to the repurchases and for each 3% (three per cent), on a cumulative basis, thereafter; and

- acquisitions of the Company's securities by the Company or its subsidiaries in the aggregate in any one financial year may not exceed 20% (twenty percent) of the Company's issued share capital from the date of the grant of this general authority.

In terms of the general authority given under this special resolution, any acquisition of ordinary shares shall be subject to:

- the Companies Act;
- the JSE Listings Requirements and any other applicable stock exchange rules, as may be amended from time to time;
- the sanction of any other relevant authority whose approval is required in law; and
- a resolution by the Board that they authorise the repurchase, that the Company passed the solvency and liquidity test and that since the test was done there have been no material changes to the financial position of the Company or the Group.

After having considered the effect of any repurchases of ordinary shares pursuant to this general authority, the directors of the Company in terms of the Companies Act and the JSE Listings Requirements, confirm that they will not undertake such repurchase of ordinary shares unless at the time that the contemplated repurchase is to take place:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date of the notice of the Annual General Meeting;
- the consolidated assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the consolidated liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the notice of the Annual General Meeting;
- the Company and its subsidiaries will have adequate capital and reserves for the ordinary business purposes of the Company and its subsidiaries for a period of 12 (twelve) months after the date of the notice of the Annual General Meeting; and
- the working capital available to the Company and its subsidiaries will be sufficient for the Group's ordinary business purposes for a period of 12 (twelve) months after the date of the notice of the Annual General Meeting.

There are no legal or arbitration proceedings (including any such proceedings that are pending or threatened of which the Company is aware), which may or have had a material effect on the Company's financial position over the past 12 (twelve) months preceding the date of this notice of Annual General Meeting.

Explanatory note to special resolution number 4
The Company's Memorandum of Incorporation contains a provision allowing the Company or any subsidiary of the Company to repurchase securities issued by the Company. This is subject to the approval of the shareholders in terms of the Company's Memorandum of Incorporation and the JSE Listings Requirements. The existing general authority, granted by members at the 2014 Annual General Meeting, is due to expire unless renewed.

The directors of the Company are of the opinion that it would be in the best interests of the Company to extend such general authority and thereby allow the Company or any subsidiary of the Company, to be in a position to repurchase the securities issued by the Company through the order book of the JSE, should the market conditions and price justify such action.

Repurchases will only be made after the most careful consideration, where the directors believe that an increase in earnings per share will result and where repurchases are, in the opinion of the directors, in the best interests of the Company and the Group.

The reason for the passing of the special resolution is to enable the Company or any of its subsidiaries, by way of a general authority from the shareholders, to repurchase ordinary shares issued by the Company.

The effect of passing the special resolution will be to permit the Company or any of its subsidiaries in the appropriate circumstances to repurchase such ordinary shares in terms of the Companies Act.

12. ORDINARY RESOLUTION NUMBER 8 – 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 ordinary resolution numbers 1 to 7 and special resolution numbers 1 to 4."

PROXY AND VOTING PROCEDURE
In compliance with the provisions of section 58(8)(b)(i) of the Companies Act, a summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act, is set out immediately below:

1. An ordinary shareholder entitled to attend and vote at the Annual General Meeting may appoint any individual (or two or more individuals) as a proxy or as proxies to attend, participate in and vote at the Annual General Meeting in the place of the shareholder. A proxy need not be a shareholder of the Company.
2. A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remain valid only until the end of the Annual General Meeting.
3. A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
4. The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder.
5. The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of (a) the date stated in the revocation instrument, if any; and (b) the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph.
6. If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to (a) the shareholder, or (b) the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so.

Attention is also drawn to the "Notes to the form of proxy".

In order to be effective, forms of proxy should be delivered to the registered office of the Company by no later than 48 (forty-eight) hours prior to the commencement of the meeting.

RECORD DATES
Shareholders are reminded to take note of the following dates:

- The last day to trade in order to be eligible to attend, participate and vote at the Annual General Meeting will be Friday, 17 July 2015.
- The record date in order to be eligible to attend, participate and vote at the Annual General Meeting will be Friday, 24 July 2015.

IDENTIFICATION OF MEETING PARTICIPANTS
Kindly note that meeting participants (including shareholders and proxies) are required to provide reasonably satisfactory identification and the person presiding at the Annual General Meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified.

Any shareholder having difficulty or queries with regard to the above may contact the Company Secretary on 031 765 4989.

By order of the Board

JA Lupton, FCIS
Company Secretary

14 May 2015

Registered Office
Santova House
88 Mahatma Gandhi Road
PO Box 6148
Durban
4000

GROUP SHARE OPTION SCHEME NUMBER 2

At the Annual General Meeting to be held on Tuesday, 28 July 2015 shareholders will be asked to approve the proposed Santova Group Share Option Scheme Number 2 ("the Share Scheme") which will run concurrently with the existing Santova Share Option Scheme as a second performance linked share incentive plan for executive directors and other senior employees. The Santova Share Option Scheme Number 2 is recommended to shareholder to incentivise performance and execution of the Company's strategic goals, to ensure that performance-linked remuneration reflects the emerging regulatory environment, to create alignment with shareholder interests and to focus on sustained growth for all stakeholders. The salient features of the Scheme Scheme are as follows:

1. The Group will grant share options to qualifying employees to acquire shares in Santova Limited ("Santova") in terms of the Share Scheme.
2. The total number of unissued shares which may be utilised for purposes of this Share Scheme is 6 700 000 ordinary shares of no par value in Santova Limited.
3. The maximum number of shares in respect of which an employee may hold options in terms of this Scheme shall not exceed 2 685 500 of the issued shares of Santova Limited.
4. The option strike price will be determined with reference to the 30-day VWAP on the grant date.
5. The share options will have a vesting period of five (5) years and will be granted on an annual basis or as and when appropriate. Employees will have to remain in the employment of the Group in order for the options to vest. Certain additional conditions will apply in the event of death or retirement of a participating employee prior reaching a vesting period.
6. On vesting, the share options will need to be exercised within a period of three years of vesting and employees must exercise 100% of the options granted.
7. On exercising the options the employee will have two options in terms of paying for the cost of the shares and related taxation:
   a. The employee can immediately pay the cost and related taxes from his own financial resources. In which event the shares will be immediately released to the employee upon payment; or
   b. The shares will be issued on loan to the employee pending the sale of a portion of the shares in order to fund the purchase price and related taxes. In this event the shares will be held as security pending full payment and the Company will facilitate the sale through a restricted brokers' account under its control. Once full payment has been received by the Company from the sale, the balance of the shares will then be released to the employee.
8. Upon employees exercising their share options, Santova will have two options:
   a. To create and issue new shares to the employees; or, alternatively
   b. The Company may, at its option, purchase existing shares through the market, which shares shall be held in trust as treasury shares pending transfer of ownership to a participant.
9. Employees will be responsible for all taxes associated with the share issue.
10. The Share Scheme will be governed on an ongoing basis by the Remuneration and Nominations Committee ("REMCO") membership of which consists only of independent non-executive directors. The members of the REMCO will not be entitled to participate in the Share Scheme.
11. The REMCO will be responsible for nominating a Compliance Officer to act and report on the Share Scheme in terms of the 2008 Companies Act.

The Share Scheme conforms to Schedule 14 of the JSE Listings Requirements and has been approved by JSE Limited. The Share Scheme Rules and supporting documentation will be available for inspection at the registered office of the Company, Santova House, 88 Mahatma Gandhi Road, Durban, 4000 and at the offices of Santova Logistics (Pty) Ltd, Building D, Stoneridge Office Park, 8 Greenstone Place, Greenstone, Gauteng from 31 May 2015 to 24 July 2015.

FORM OF PROXY

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

Santova Limited

For use at the Annual General Meeting of the Company to be held in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 on Tuesday, 28 July 2015 at 12:00 and at any adjournment thereof:

To be completed by holders of certificated shares and holders of dematerialised shares with own name registration only.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own name" registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the Annual General Meeting or the shareholders concerned must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (BLOCK LETTERS please)

Of (address)

Telephone work Telephone home

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

1. or, failing him/her

2. or, failing him/her

3. the Chairman of the meeting

as my/our proxy to act on my/our behalf at the Annual General Meeting of the Company to be held for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat and at any adjournment thereof, and to vote for or against the ordinary and special resolutions or to abstain from voting in respect of the ordinary shares registered in my/our name/s in accordance with the following instructions (see note 2).

		For	Against	Abstain
1.	Ordinary resolution number 1 – Re-election of WA Lombard retiring as a director by rotation.			
2.	Ordinary resolution number 2 – Re-election of Audit and Risk Committee members			
3.	Ordinary resolution number 3 – Re-election of Deloitte & Touche as independent auditors and B Botes as registered audit partner.			
4.	Ordinary resolution number 4 – Non-binding advisory endorsement on the Company's remuneration policy.			
5	Ordinary resolution number 5 – Shares to be placed under control of the directors.			
6.	Ordinary resolution number 6 – General authority to issue shares for cash.			
7.	Ordinary resolution number 7 – Approval of Share Option Scheme Number 2.			
8.	Special resolution number 1 – Approval of non-executive directors' remuneration.			
9.	Special resolution number 2 – General authority to provide financial assistance in terms of section 44.			
10.	Special resolution number 3 – General authority to provide financial assistance in terms of section 45.			
11.	Special resolution number 4 – General authority to buy back own shares.			
12.	Ordinary resolution number 8 – Authority to execute requisite documentation.			

(Indicate instruction to proxy by way of a cross in the space provided above.)

Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed this day of 2015

Signature

Please read the notes on the reverse side hereof.

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 member's choice in the spaces provided, with or without deleting "the Chairman of the meeting", but any such deletion must be initialled by the member. The person whose name stands first on the form of proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names that follow.
2. Please insert an "X" in the relevant spaces according to how you wish your votes to be cast. However, if you wish to cast your votes in respect of a lesser number of shares than the total number of shares that you own in the Company, insert the number of ordinary shares held in respect of which you desire to vote. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the Annual General Meeting as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A member or his/her proxy is not obliged to use all the votes exercisable by the member or by his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or by his/her proxy.
3. Forms of proxy must be received at the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 (PO Box 6148, Durban, 4000) by no later than 12:00 on Friday, 24 July 2015.
4. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the Annual General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
5. 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 Annual General Meeting.
6. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of the Company.
8. The Chairman of the Annual General Meeting may reject or accept a form of proxy, which is completed and/or received other than in accordance with these notes, if the Chairman is satisfied as to the manner in which the shareholder wishes to vote.

CERTIFICATED AND "OWN NAME" REGISTERED DEMATERIALISED SHAREHOLDERS

If you are unable to attend the Annual General Meeting of Santova Limited to be held at 12:00 on Tuesday, 28 July 2015 in the Harbour View Boardroom, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 and wish to be represented thereat, you must complete and return this form of proxy in accordance with the instructions contained herein and lodge it with, or post it to the Company's registered office address, detailed in point 4 above, to be received by them by no later than 12:00 on Friday, 24 July 2015.

DEMATERIALISED SHAREHOLDERS

If you hold dematerialised shares in Santova Limited through a CSDP or broker and do not have an "own name" registered dematerialised registration, you must timeously advise your CSDP or broker of your intention to attend and vote at the annual general meeting or be represented by proxy thereat in order for your CSDP or broker to provide you with the necessary letter of representation to do so, or should you not wish to attend the Annual General Meeting in person, you must timeously provide your CSDP or broker with your voting instructions in order for the CSDP or broker to vote in accordance with your instructions at the Annual General Meeting.

CORPORATE INFORMATION

SANTOVA LIMITED
Country of incorporation
Republic of South Africa

Registration number
1998/018118/06

Share code
SNV

ISIN
ZAE000159711

Nature of business
International logistics solutions provider

DIRECTORS
Independent Non-executive Directors
ESC Garner *(Chairman)*
AD Dixon
WA Lombard
EM Ngubo
Executive Directors
GH Gerber *(Chief Executive Officer)*
DC Edley *(Group Financial Director)*
AL van Zyl

COMPANY SECRETARY
JA Lupton, FCIS
Highway Corporate Services (Pty) Ltd
PO Box 1319, Hillcrest, 3650

JSE SPONSOR
River Group
Unit 2, 211 Kloof Street, Waterkloof, Pretoria, 0145

GROUP AUDITOR
Deloitte & Touche
Deloitte Place, 2 Pencarrow Park
La Lucia Ridge Office Estate, La Lucia, 4051
PO Box 243, Durban, 4000

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

LEGAL ADVISOR
Livingston Leandy Inc.
PO Box 4107, Umhlanga Rocks, 4320

INVESTOR RELATIONS
Contact persons
GH Gerber *(Chief Executive Officer)*
DC Edley *(Group Financial Director)*
Email address
investor@santova.com
Contact number
+27 31 374 7000

SANTOVA HEAD OFFICE AND REGISTERED OFFICE
Physical address
Santova House, 88 Mahatma Gandhi Road, Durban, 4001
Postal address
PO Box 6148, Durban, 4000
Contact number
+27 31 374 7000

MAIN BANKERS
Nedbank Limited

Santova

Limited

Innovative Solutions. Endless Possibilities.

www.santova.com