ANNUAL INTEGRATED REPORT

FEBRUARY **2017**

Santova

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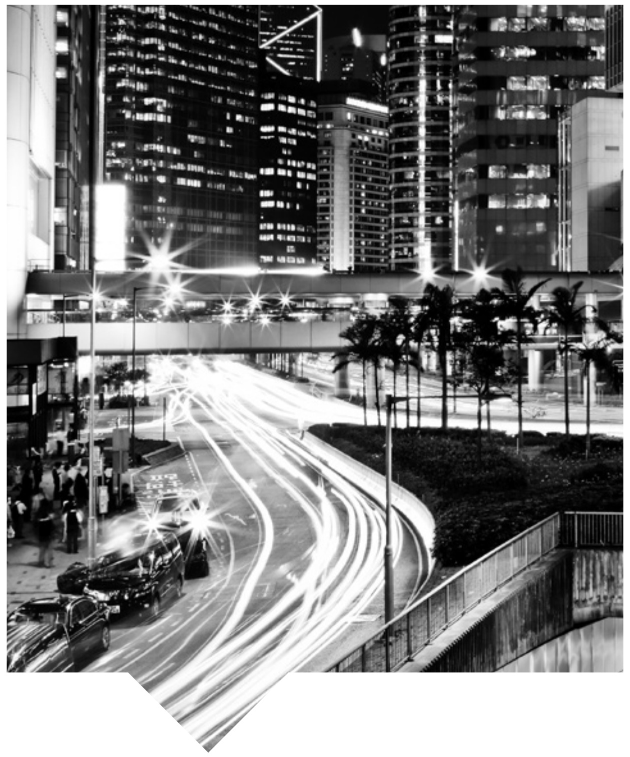


The Santova 2017 Annual Integrated Report is supplemented by and should be read in conjunction with the following information which is available online:

FINANCIAL

- 2017 Annual Financial Statements, including:
  - Audit and Risk Committee Report
  - Social and Ethics Committee Report
- 2017 Preliminary Audited Results
- 2017 Investor Presentation

GOVERNANCE

- King III Governance Register and supporting Reports

SOCIAL AND ENVIRONMENTAL

- 2017 Social and Environment Report and Assurance Report

These are available at www.santova.com

OUR APPROACH TO REPORTING

Santova Limited has pleasure in presenting its 2017 Annual Integrated Report, which covers the performance of the Group and its subsidiaries for the year ended 28 February 2017. This Report has been produced to present in a concise manner, those elements of the Group's economic, governance, social and environmental performance that are material to enable stakeholders to assess the Group's ability to create long term, sustainable value.

SCOPE AND BOUNDARY

This report has been prepared in compliance with applicable legislative reporting requirements, including principally, the International Financial Reporting Standards, the South African Companies Act and the JSE Listings Requirements.

In drafting the report we have also been guided by the fundamental concepts and guiding principles of the Integrated Reporting Framework issued by the International Reporting Council, as well as the principles of the King Report III on Corporate Governance, both of which we remain committed to adopting.

The report provides a concise overview of the Group's business model, its operating environment, its competitive positioning, strategies, culture and values and investment case, as well as providing key operating and financial information, executive commentaries and relevant governance and risk reviews. The executive commentaries contain extracts from the Group Consolidated Annual Financial Statements, which have been audited by Deloitte & Touche who expressed an unmodified opinion thereon. These extracts are taken from audited information but are themselves not audited. Stakeholders are referred to the full set of audited Group Consolidated Annual Financial Statements for more detailed financial information. These may be found on the Group's corporate website at www.santova.com.

MATERIALITY

This 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 key stakeholders, as dictated by our business model and strategies. As a result, in drafting the report careful consideration was given to the guiding principal of 'conciseness' from the Integrated Reporting Framework and the requirements of the recently revised and adopted International Financial Reporting Standards on disclosure and materiality.

As part of the process in drafting this report, executive management performed and prepared a materiality assessment and calculation, guided by International Standards on Auditing on materiality determination. This materiality assessment was approved by the Audit and Risk Committee.

ASSURANCE

Santova has adopted a combined assurance framework that the Board believes is appropriate with respect to its stage of development, considering the risks it encounters and its strategies. This framework is overseen by the Audit and Risk Committee and involves obtaining assurance from executive and senior management, external assurance providers and internal assurance principally from the Group's centralised services division.

As part of the adoption of this assurance framework the following specific external assurances were obtained:

- Our annual financial statements have been audited by Deloitte & Touche, the Group's independent external auditors;
- For the first time in the Group's history, the current financial year's sustainability reporting and data has been independently assured by Integrated Reporting and Assurance Services (IRAS); and
- Other sections of the report, such as B-BBEE disclosures, have been audited by relevant accredited external verification entities.

2017 REPORTING SUITE

This 2017 Santova Annual Integrated Report provides a concise overview of the Group's economic and governance performance. Complementing this report are a number of other reports that are produced for specific stakeholders and which also provide more detailed financial and governance information, as well as social and environmental information. A list of these reports may be found on the Contents page on page 1. These and other associated reports are available on the Group's corporate website at www.santova.com and should be read in conjunction with this Annual Integrated Report.

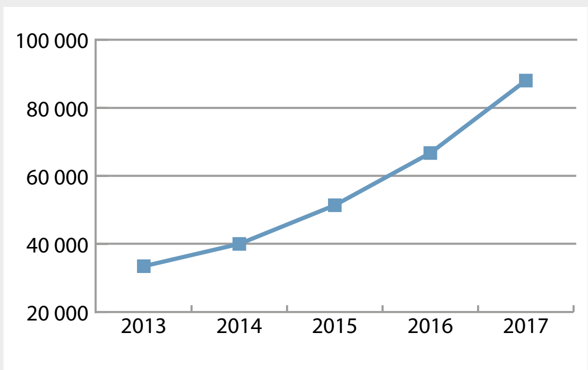
BOARD APPROVAL

The Audit and Risk Committee has oversight on integrated reporting and the preparation of the Annual Integrated Report. The committee confirms that the report fairly presents the material issues and 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 17 May 2017.

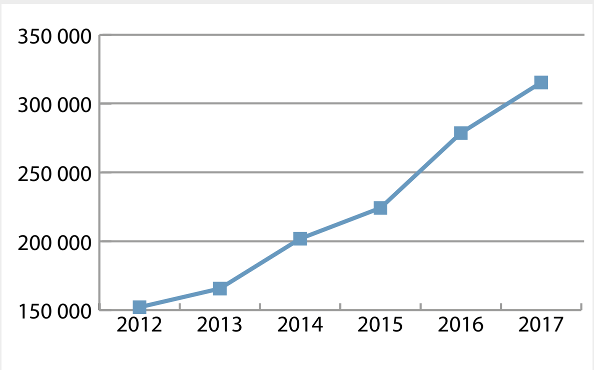
HOW WE PERFORMED AGAINST KEY INDICATORS

		2017	2016	Change
STRATEGIC INITIATIVES				
Growth				
Billings	R'000	**4 073 868**	3 797 890	7,3%
Revenue after net interest income	R'000	**315 415**	278 655	13,2%
Net profit before tax	R'000	**88 023**	66 736	31,9%
Dividend per share	cents	**6,25**	5,50	13,6%
Headline earnings per share	cents	**39,89**	34,58	15,4%
Net cash generated from operating activities	R'000	**56 474**	30 414	85,7%
Total assets	R'000	**896 072**	1 023 165	(12,4%)
Capital and reserves	R'000	**365 567**	386 415	(5,4%)
Total interest bearing debt	R'000	**285 473**	338 581	(15,7%)
Tangible net asset value per share	cents	**1,18**	1,04	13,5%
Diversification				
Number of countries	number	**7**	8	
Number of offices	number	**19**	19	
Total staff	number	**323**	323	
% of profits generated offshore	%	**62,1%**	57,3%	4,8%
Innovation				
IT development and overhead expenditure	R'000	**11 148**	8 934	24,8%
Total employment related costs	R'000	**175 375**	149 674	17,2%
Efficiency and Effectiveness				
Billings to revenue margin	%	**7,7%**	7,3%	0,4%
Operating margin	%	**30,7%**	25,4%	5,3%
Effective tax rate	%	**26,6%**	25,2%	1,4%
Interest cover	times	**11,0**	17,5	(37,1%)
Return on equity	%	**17,0%**	16,1%	0,9%
Debtor days	days	**48,30**	56,70	(8,40)
Debt equity ratio	%	**53,0%**	55,6%	(2,6%)

PROFIT BEFORE TAX



REVENUE AFTER NET INTEREST INCOME



WHO WE ARE

The Santova Group is a specialist international trade solutions business listed on the main board of the Johannesburg Securities Exchange. The Group operates from 19 offices in 7 countries including South Africa, Hong Kong, Australia, Germany, the Netherlands, Mauritius and the United Kingdom.

Innovative Solutions. Endless Possibilities.

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.

SHAREHOLDERS
4 514

BILLINGS
R4,1 billion

Santova has **4 514** shareholders of which **14** are directors and senior management of the Group who hold **19,4%** of the company, with the balance being held by a broad cross spectrum of entities and individuals, with no single shareholder holding more than **11,5%** of the company.

COUNTRIES
7

OFFICES
19

THE GROUP HAS TWO PRIMARY OPERATING DIVISIONS:

LOGISTICS SERVICES

Santova Logistics operates as a non-asset based provider of international supply chain solutions, which entails the co-ordination and control over the forward and reverse movement of clients' goods across the entire supply chain from source to destination. The Group principally operates as an agent on behalf of its clients to arrange the transportation, storage and delivery of their goods through the most cost and time efficient means.

FINANCIAL SERVICES

Santova Financial Services provides short term insurance products, primarily marine, commercial and domestic asset insurance, principally within South Africa.

OUR KEY DIFFERENTIATORS

GLOBAL
An **international infrastructure** that provides local representation in key trade centres.

SOLUTIONS
Specialist in-house **supply chain intellectual capacity**.

SERVICES
Competitive **international logistics products and services**.

TECHNOLOGY
Intelligent technology and management information systems.

OUR CULTURE AND VALUES

OUR 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.

OUR VALUES

ACCOUNTABILITY
- Responsible for decisions and actions
- 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
- Supportive and helpful
- Adaptable and flexible
- Cooperative attitude

INNOVATION
- Creative solutions and ideas
- Challenging and embracing change
- Forward thinking
- Big-picture approach

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

OUR STRATEGY

In consideration of the Group's Vision and Purpose and with an appreciation of the Group's key differentiators and inherent risks, the Group has set four ongoing medium to long term initiatives:

GROWTH
To achieve consistent year on year growth in revenue and profitability through a balanced combination of organic growth and selective acquisitions.

Organic growth
- New clients
- New services with existing clients
- New trade routes
- New services/products

Acquisitions
- 'Bolt-on' acquisitions
- Strategic acquisition

INNOVATION
Technology Innovation: leveraging off next generation technology
To continually invest and further develop the Group's information technology offering so as to provide clients with meaningful information and data allowing them to achieve a competitive advantage and in so doing ensuring long term client retention.

Supply Chain Innovation: knowledge intensive business model
To continually invest in and grow the Group's Supply Chain Consulting resources and capabilities both locally and internationally.

Talent pool: Investing in and cultivating intellectual capital
To establish Santova as a 'preferred employer' within the logistics industry thereby attracting and retaining appropriately skilled and experienced staff.

DIVERSIFICATION
Relentless diversification of the business, including:
- Geographical
- Currency
- Service/product
- Industries
- Trade routes

EFFICIENCY AND EFFECTIVENESS
Executing at high standards, quickly and intelligently.
To leverage off industry best practice and to continually drive operating efficiencies and consistency of systems and procedures across all business units and regions, ensuring free flow of intellectual capital and accurate data (information) based decision-making.

OUR INVESTMENT CASE

As the primary providers of capital to the Group, Santova aims to create value for Shareholders by delivering above average market appreciation and consistent dividend payments matching the Group's growth in profitability.

- Highly **entrepreneurial culture** which thrives on change and is driven by innovation. Flexible and highly adaptable to a changing environment.
- Santova's **strategic diversification** in terms of geographies, currencies, industries, products and services enables it to hedge against unexpected 'regional risks' whilst at the same time allowing it to capitalise on opportunities that may present themselves globally.
- A **non-asset based business model**: a specialist provider of innovative global trade solutions utilising a non-asset based infrastructure which has a variable cost structure and can be easily and quickly adjusted to meet unexpected challenges.
- An **international infrastructure**: managing a global network of interconnected activities for multinational organisations from origin to point-of-consumption, allowing Santova to duplicate logistics revenue streams at both ends of the supply chain whilst being competitive from a cost and service perspective.
- **In-house global talent pool**: cultivating high calibre employees (internationally) who are attuned to the Group's entrepreneurial culture and knowledge intensive business model.
- Continuously embracing and leveraging off **next generation technology**: one common global platform for engagement and global multi-dimensional interface (EDI), including predictive analytics.

Santova's Investment Case must be considered in context of the entire 2017 Annual Integrated Report, 2017 Annual Financial Statements and Santova's 2017 Social and Environment Report.

OUR COMPETITIVE POSITIONING

Santova operates in highly competitive markets both regionally and internationally and positions itself as a true outsourced non-asset based supply chain management service provider. As a result, the Group competes internationally across multiple levels in various sectors in the logistics industry and a direct comparison of Santova to any one specific sector or level is difficult.

Santova competes across certain aspects of all of the following sectors within the logistics industry:

- Regional Third Party ("3PL") Logistics Providers:
  - Typically local/regional forwarding and clearing agents, who don't have an international infrastructure and whose business models are traditional, don't make use of technology and modern supply chain methodologies.
- International Fourth Party ("4PL") and Lead Logistics Providers:
  - Large multinational logistics providers listed on major international stock exchanges, with extensive global asset based infrastructures and intelligent business models, focusing on large multinational corporations as customers.
- Supply Chain Consulting Organisations:
  - Specialist supply chain consulting organisations that consult and generate revenue on a project and time basis from large corporations, but do not supply any traditional forwarding and clearing services.
- The JSE Transportation Sector:
  - By virtue of being listed, the Group is typically compared to the other organisations within this sector, however a meaningful comparison is difficult due to the fact that our peers within the sector are typically larger more diverse asset based entities.

OUR OPERATING ENVIRONMENT

Santova operates in a market environment driven by globalisation and technological advancements, which has resulted in a borderless and integrated world economy. In this environment companies source and procure products and raw materials worldwide and distribute their end products into multiple markets and territories. In order to facilitate this global trade, companies require extensive, sophisticated operational and logistics supply chain solutions across multiple geographies and jurisdictions.

The global logistics industry is currently confronted by the following challenges:

- The global economy, which is likely to remain stagnant for the foreseeable future
- The industry, which is in a state of change and at risk of becoming commoditised
- The lack of skilled talent and the need to develop strategies to attract and retain employees
- The need to leverage off technological advancements in order to provide innovative solutions
- The demand from shippers for an 'end-to-end' (seamless) global supply chain solution
- The need to adapt to the demands of new e-commerce business models

The specific issues that have impacted on Santova and thus the Group's ability to generate greater profitability and cash flows during the past financial period, include:

AFRICAN LOGISTICS MARKET

- The strengthening of the South African Rand, which has impacted on the conversion of foreign currency denominated earnings
- The current economic environment and socio-political instability, which is impacting growth rates, unemployment and consumer spending, resulting in lower trade volumes generally
- The difficulty of sourcing and retaining the right talent

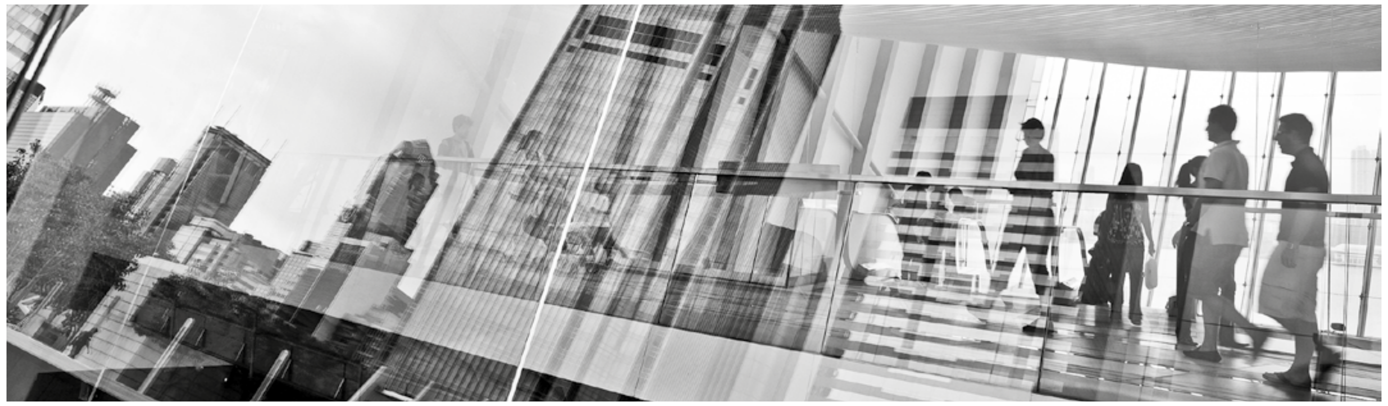
INTERNATIONAL LOGISTICS MARKET

- Overcapacity in the international shipping market, which has lead to lower shipping rates and lower profit margins, which has resulted in corporate failures and consolidations within the shipping sector
- Brexit, which has led to a significant weakening of the British Pound and general uncertainty and negative sentiment within the United Kingdom market
- The weaker trade volumes due to falling consumer demand and slowing GDP growth in certain major economies, in particular China

"Santova operates in a market environment driven by globalisation and technological advancements which has resulted in a borderless and integrated world economy."

OUR BUSINESS MODEL

Santova's business model is that of 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.



VISION

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

KEY DIFFERENTIATORS

- Global Infrastructure
- Supply Chain Solutions
- Logistics Services
- Intelligent Technology

CULTURES & VALUES

Which are strong and entrenched

GROUP STRATEGY

- Growth
- Diversification
- Innovation
- Efficiency and Effectiveness

CORPORATE GOVERNANCE

High levels of compliance and transparency

INPUTS

INTELLECTUAL CAPITAL
The Group's in-house supply chain capabilities and developed IT resources and software

HUMAN CAPITAL
The specialist logistics skills, knowledge and experience held by the Group employees

SOCIAL & RELATIONSHIP CAPITAL
The key relationships the Group maintains with its key business stakeholders

FUNDING CAPITAL
The funding supplied by the Group's shareholders, primary bankers and creditors

MANUFACTURED CAPITAL
The Group's global infrastructure of offices

NATURAL CAPITAL*
Office-based usage of water, energy, land and carbon emissions

BUSINESS ACTIVITIES

As a non-asset based provider of international supply chain solutions, the Group's primary services entail the co-ordination and control over the forward and reverse movement of clients' goods across the entire supply chain from source to destination. The Group principally operates as an agent on behalf of its clients to arrange the transportation, storage and delivery of its goods through the most cost and time efficient means. To do so the Group draws on extensive relationships and agreements with multiple third party providers across the globe for physical transport services via sea, air, road and rail.

INFORMATION FLOW | PRODUCT FLOW

OUTPUTS

LOGISTICS SERVICES
Customs Clearing, Freight Forwarding, Liner Agency, Groupage and Consolidations, Warehousing, Distribution, Ship Chartering

SPECIAL PROJECTS
Complex project and out-of-gauge cargo

SOURCING AND PROCUREMENT
Sourcing and procurement of goods and services from external sources

COURIER SERVICES
International express door-to-door delivery of goods

FINANCIAL SERVICES
Short term insurance risk solutions

OUTCOMES

INTERNAL

- Growth in profitability
- Positive cash flows
- Investment in key differentiators
- Building the Group's employment brand
- Effective corporate governance

EXTERNAL

- Supply chain optimisation solutions
- Providing direct time and cost savings
- Customer satisfaction and retention
- Growing brand recognition
- Long term shareholder wealth creation

*Not material

AUSTRALIA » GERMANY » HONG KONG » NETHERLANDS » SOUTH AFRICA » UNITED KINGDOM » MAURITIUS

SOURCE
- Factory
- Wholesaler
- Warehouse
- Supplier

FORWARD AND REVERSE LOGISTICS

DESTINATION
- Consumer
- Retailer
- Factory
- Warehouse
- Distribution Centre

WHERE WE OPERATE

UNITED KINGDOM

SANTOVA LOGISTICS
- Heathrow
- West Hornden
- Tamworth

W.M. SHIPPING
- Tamworth
- West Hornden
- Felixstowe

TRADEWAY (SHIPPING)
TRADEWAY NORTH WEST
- Leeds
- Manchester

REVENUE/RM
72,897

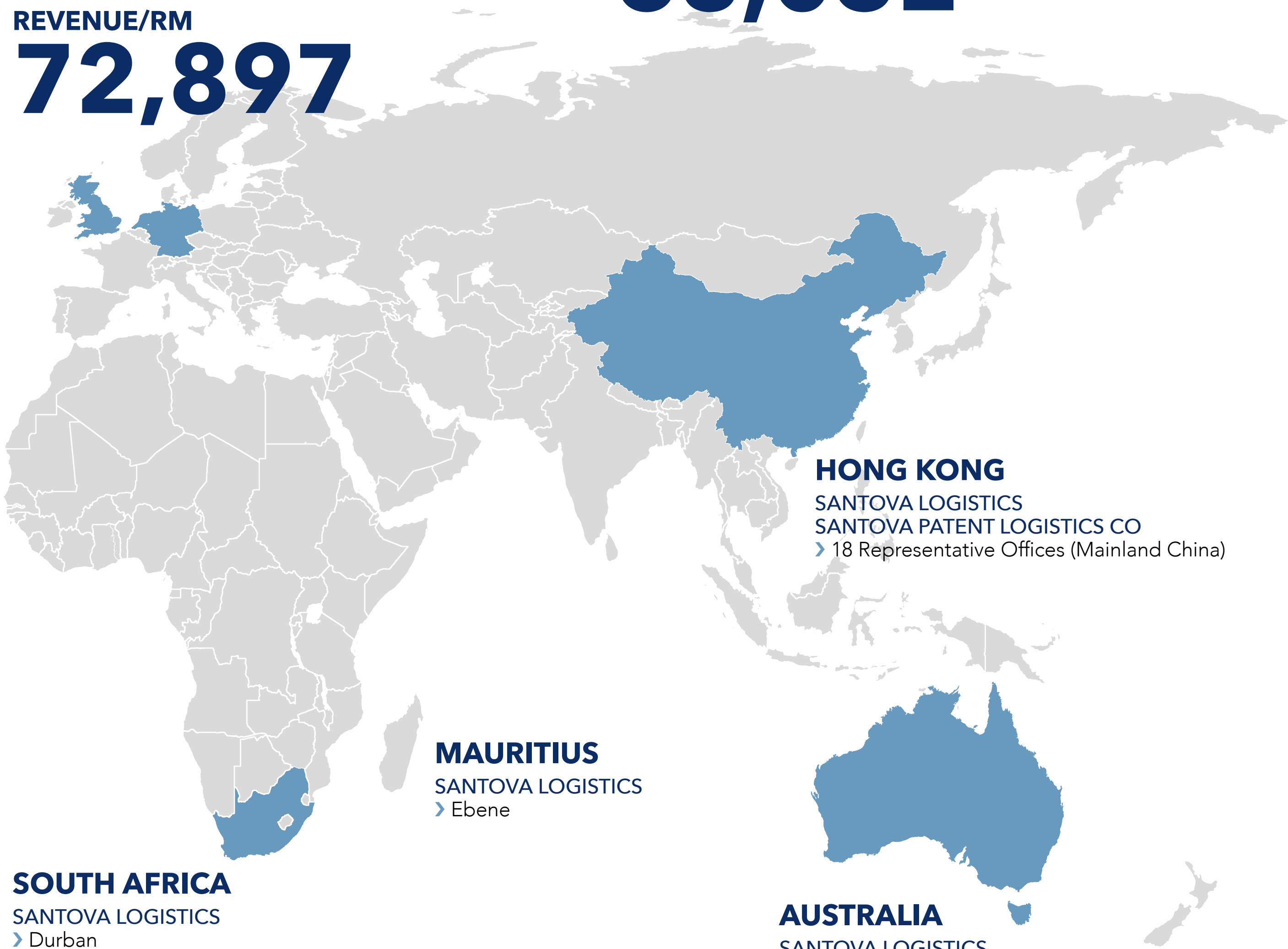
NETHERLANDS

SANTOVA LOGISTICS
- Schiphol
- Rotterdam

GERMANY

SANTOVA LOGISTICS
- Frankfurt
- Hamburg

REVENUE/RM
68,032



HONG KONG

SANTOVA LOGISTICS
SANTOVA PATENT LOGISTICS CO
- 18 Representative Offices (Mainland China)

MAURITIUS

SANTOVA LOGISTICS
- Ebene

SOUTH AFRICA

SANTOVA LOGISTICS
- Durban
- Johannesburg
- Cape Town
- Port Elizabeth
- Pietermaritzburg
- Sasolburg

SANTOVA FINANCIAL SERVICES
- Durban
- Johannesburg

REVENUE/RM
142,760

AUSTRALIA

SANTOVA LOGISTICS
- Sydney

REVENUE/RM
31,728

OUR KEY RELATIONSHIPS

As a non-asset based, specialised supply chain business, our relationships with our key stakeholders are core to our strategy and continued existence.

As a result, the Group's business model is highly stakeholder centric and dependent on the establishment of long term mutually beneficial relationships with all stakeholders, which are facilitated through constant daily interaction with our employees across all levels.

The Group has identified numerous key stakeholders who influence the creation of value in its business model and these include our clients, suppliers, agents, employees, shareholders, banking intuitions, credit underwriters, governments, regulators and IT service providers.

However, the stakeholders who have the most material impact on implementing our Group strategies and how we engage with them are:

		CLIENTS	SUPPLIERS	EMPLOYEES	SHAREHOLDERS
STAKEHOLDER NUMBER	2017	4605	2101	323	4514
	2016	3990	2423	323	3735
VALUE CREATED OR DISTRIBUTED	2017	R 4,275 million	R 1,528 million	R 175 Million	R 68 Million
	2016	R 3,829 million	R 1,109 million	R 150 million	R 53 million
NATURE OF RELATIONSHIP		Corporate entities of varying size across diverse industry sectors that are primarily manufacturers and retailers utilising foreign sourced products or exporting products to foreign customers	A global panel of specialised external logistics service providers, utilised to provide warehouse or distribution facilities and to convey client's products from source to destination via sea, air, road and rail	Individuals of varying nationalities and qualifications with relevant logistics and supply chain experience, employed across the Group to service customers and provide support functions	The providers of the Company's share capital and primary risk takers within the business
STAKEHOLDERS' NEEDS		Supply chain optimisation through the efficient, timeous and cost effective flow of products from source to destination, thereby meeting specific customer service requirements and adding value and competitive advantage to their organisation	An ongoing and commercially viable supply of shipping, transport and warehouse service orders from the Group on behalf of Santova's clients	Career and personal development in a quality work environment within a successful and stimulating organisation, that ensures job security and appropriate reward for performance	The generation of sustainable, above market returns through capital appreciation and dividend payments, together with ongoing communication on the Company's performance - all underpinned by the appropriate levels of corporate governance
HOW WE ENGAGE		Agreed and documented terms, tariffs and operating procedures, supplemented by daily system based and interpersonal communication, related to specific shipping instructions and ongoing reviews of client service levels	Upfront formal service level agreements followed by daily electronically communicated shipping, transport and warehouse service orders - together with ongoing updates on key supply chain data and timing	Ongoing formal and informal engagement managed primarily by the Group's Human Resources Department and Business Unit Leaders to ensure employees receive the necessary guidance, motivation, feedback and recognition	Formal published communications via Stock Exchange announcements, annual reports, advertorials, the Group website, shareholder meetings, investor presentations and in the press from management engaging with financial media
ASSOCIATED SIX CAPITALS		Human Capital, Intellectual Capital, Social and Relationship Capital	Human Capital, Social and Relationship Capital	Human Capital	Financial Capital
RELATED SANTOVA STRATEGIC INITIATIVES		Innovation, Diversification, Efficiency and Effectiveness	Efficiency and Effectiveness	Innovation	Growth, Diversification

HOW WE MANAGE RISK

The Santova Board acknowledges the importance of effective corporate governance and the sustainability of the organisation and consequently recognises that the proactive engagement of risk is a crucial part of the core business and strategy of Santova.

Risk management is ultimately about proactively identifying and understanding the potential threats, actions or events that will positively or negatively affect an organisation's ability to achieve its objectives, and then managing, monitoring and reporting on these risks. Good risk management is not about eliminating or avoiding risks, but rather taking acceptable risks and managing them well.

RISK MANAGEMENT OBJECTIVES

Santova's risk management objectives are to:

- Create awareness and understanding of risk and instil a culture of risk management accountability at all levels within the organisation;
- Determine Santova's risk tolerance, which will allow for the achievement of strategic and business objectives;
- Identify and understand risks completely and capture these risks in Santova's Risk Register;
- Engage risks and manage them well within the risk tolerance parameters;
- Embed risk management as part of the normal operations, which includes linking risks to controls; and
- Comply with appropriate risk management practices in terms of corporate governance guidelines and relevant codes of good practice.

RISK MANAGEMENT PROCESS

Santova manages risk by using the following risk management cycle:

INHERENT RISK	PERCEIVED CONTROL EFFECTIVENESS	RESIDUAL RISK
The impact and probability of risk, arising out of circumstances or existing in an environment, in the absence of any action to control	The rating by management of the effectiveness of the current controls	The portion of the risk that remains after current controls have been implemented

RISK TOOLS USED IN THE RISK MANAGEMENT PROCESS

Risk Management Framework - This is the risk organogram or structure setting out the various committees and role players in the Risk Management Process. A graphical representation of the Risk Management Framework and its role players can be seen in the Governance Review on page 32 of this year's Integrated Report.

Risk Management Committee - This is the committee to which the Audit and Risk Committee has delegated the daily oversight of the risk management process for all areas of risk and accordingly, it interacts directly with Management (and where appropriate, employees of all levels) to ensure proper implementation of the Risk Management Process.

The committee met on 3 occasions during the past financial year and is made up as follows:

- Group Chief Executive Officer
- Group Financial Director
- Group Legal Advisor (Chairman)
- Group Financial Manager (Secretary)
- Santova Financial Services Managing Director
- Santova Logistics Financial Director
- Santova Logistics KZN Regional Head

Risk Register - This is the complete register of all identified Santova risks captured into three main components, namely: Basic Risk Information, Risk Assessment and Risk Response Information.

Risk Inbox Process - The Risk Inbox is a process that allows any employee to identify and communicate a risk to the Risk Management Committee to a dedicated email address. Whilst this opportunity is available at all times for any employee, the secretary of the Risk Management Committee also sends a reminder to top, senior and certain middle management to remind regions to submit risk observations (shortly before each risk management committee meeting) and to also communicate this task to their individual teams.

OVERVIEW OF OUR KEY RISKS

The key material inherent risks of the Group are set out on the next double page. The risks are identified, described and the steps to mitigate these risks are then set out before a rating is provided. Once again, we have also included a cross reference of these risks to our strategic initiatives, to the six capitals and to our stakeholders in order to illustrate how the management and mitigation of our key risks are interwoven into the overall functioning of the Group.

OUR KEY INHERENT RISKS

RISK	RISK SUB-CATEGORY	KEY RISK DESCRIPTION	POTENTIAL INHERENT RISK EFFECT	INHERENT RISK RATING (Combined Probability and Impact)	RISK MITIGATION	STRATEGIC INITIATIVES	SIX CAPITALS	STAKEHOLDERS
OPERATIONAL	Business Continuity Risk	The threat facing smaller clearing and forwarding companies (with one dimensional business models) of basic clearing and forwarding services being commoditised as a result of a failure to embrace technological advancements and automation.	Potential business disruption to smaller clearing and forwarding companies as one dimensional business models would become redundant resulting in a loss of revenue sources.	Significant	› Develop multiple and diverse products that deal with the commodisation risk directly; › Continued investing in and leveraging off next generation technology; › Focus on being best in class and offering 'end to end' supply chain solutions; › Continue building and investing in businesses unrelated to basic forwarding and clearing; › Partner with clients to offer integrated solutions as opposed to focusing on costs alone and 'rates' cutting; › Further entrench meaningful and lasting relationships with clients; › Focus on 'niche' offerings that are relevant to client's current and future strategy.	› Diversification › Innovation - Technical Innovation	› Intellectual Capital › Human Capital	› Clients › Employees › Shareholders › Suppliers
OPERATIONAL	People/Human Resources Risk	Succession - high reliance on key personnel and lack of depth at senior management level.	Senior management being 'stretched' and having to focus on problem areas to the detriment of the greater part of the business. Loss of profit due to business interruption and temporary lack of leadership. Cost of recruitment. Loss of client base due to poor servicing and failure to maintain relationships.	Moderate	› Personal development initiatives at all levels of management to bolster and broaden the leadership base; › Clear key performance indicators (which includes back up and quality control of colleagues), business development review and performance coaching of management which promotes a team effort and support of management when capacity is limited; › Focusing away from formal structures and hierarchy to a consultative, collaborate effort with limited barriers and limited 'key personnel'; › Growth of the management teams at all levels and growth of the various management forums which creates fewer succession 'bottlenecks'.	› Innovation - Talent Pool › Efficiency and Effectiveness	› Human Capital	› Employees › Clients
OPERATIONAL	People/Human Resources Risk	Identifying, recruiting and maintaining the right talent - ineffective recruitment policies and procedures, lack of or poor incentivisation/recognition, maintaining competitive remuneration policies, lack of internal growth paths.	Inadequately qualified or experienced emplyees or demotivated employees resulting in inefficient operations and loss of revenue, loss of employees to other organisations and loss of clients.	Moderate	› A formalised interview process with detailed, practical training of interviewers equipping them with the very latest skills in this area; › A new performance development review process (with clearly defined and achievable key performance indicators) being implemented to better manage internal performance; › Performance coaching training of senior management; › Carefully structured remuneration packages and bonus and incentive structure promotes employee 'stretch' and employees going 'above and beyond'.	› Innovation - Talent Pool › Efficiency and Effectiveness	› Human Capital	› Employees › Clients
FINANCIAL	Economic Risk	Risk associated with current international economic environment and socio-political instability e.g. Lack of market confidence, slow down of growth in China, over-supply in shipping capacity and thus reducing shipping rates, the future effect of South Africa's down-grading to junk status in credit rating, Brexit, potential new policies from United States of America, etc.	Weakening in the financial stability and profitability of the Group due to heightened probability of clients' inability to settle debt, decreases in trading volumes and reducing margins, increased cost of funding, increased operational costs etc. Currency volatility, increased interest rates, inflation and possible recession as a result of the downgrade.	Moderate	› Maintain close relationships with clients, banks and credit underwriters; › Monitor sources of information on industry and country trends; › Diversification of the business, including geographical, currency, service/product, industries and trade routes; › Anticipate and control the elements that are controllable and develop natural hedges in this risk (eg: by expanding offshore offices).	› Growth - Strategic Acquisitions › Diversification	› Financial Capital › Manufactured Capital › Social & Relationship Capital	› Shareholders › Financial Institutions / Bankers › Agents › Government / Regulators
STRATEGIC	Sales and Marketing Risk	Failure to grow the business through new client acquisition.	Reduced profitability due to lower revenue growth, thus not meeting market expectations and resulting in lower returns for shareholders and reputational damage.	Moderate	› A Group marketing strategy formulated and approved at Board level; › Development of key differentiators to empower sales personal; › Innovation through brand workshops with advertising agencies; › Standardised quality marketing material produced centrally at Head Office; › Recruitment of new and experienced sales personnel globally; › Employee training and development through 'road shows' and workshops; › Greater accountability amongst Business Unit Leaders for organic growth through workshops and training; › Each region leveraging off the global client base; › Close monitoring of new client growth through budgets and management reports.	› Growth - Organic Growth › Innovation - Talent Pool › Innovation - Supply Chain Innovation	› Human Capital › Intellectual Capital › Social & Relationship Capital	› Shareholders › Employees › Clients
OPERATIONAL	Competitive Risk	Failure to adequately service and retain existing key clients.	Reduced profitability due to loss of client revenue, thus not meeting market expectations and resulting in lower returns for shareholders and reputational damage.	Moderate	› Implementation of key account management team and development of operations controllers to handle relationship management; › Creation of a client visit plan for all levels of management including key visits by senior personnel; › Focus on regular client visits and the formal reporting of those visits; › Development of the client visit report content in South Africa through ISO Management System; › Addressing key client concerns (feedback) with operational management.	› Efficiency and Effectiveness › Innovation - Talent Pool › Innovation- Supply Chain Innovation	› Human Capital › Intellectual Capital › Social & Relationship Capital	› Clients › Employees › Shareholders
STRATEGIC	People/Human Resources Risk	Failure to integrate staff within the Group and to educate them on and ensure the adherence/observation to Group cultures, philosophies, values, ethics and standards, particularly as the Group expands and diversifies into new regions and territories.	Financial and reputational loss resulting from poor service, brand damage, loss of clients, fraud, bribery, corruption, fines and penalties. Theft or destruction of company assets or release of confidential information by disgruntled employees or former employees. Failure to embrace change (eg: new systems leading to delayed invoicing), poor reconciliation, poor debtor collection.	Moderate	› Induction procedure for existing employees which includes addressing culture and values of the Group; › Formal induction programme (including formal training on cultures and values) of all senior management worldwide; › All key decisions, material communications, bonus and incentive criteria, etc are tested against the culture and values to ensure these ethical principles are re-inforced constantly in the Group; › Performance development reviews contain a large section on cultures and values performance management.	› Efficiency and Effectiveness › Innovation - Talent Pool	› Human Capital	› Employees › Clients › Suppliers
FINANCIAL	Valuation Risk	Valuation of assets, particularly with regard to the recoverable amount of an investment not exceeding its carrying amount.	Restatements, impairments to goodwill resulting in reduced earnings, reputation damage, shareholder dissatisfaction and destruction of wealth through the reduction in share price.	Moderate	› Involvement of Group Financial Director and Audit & Risk Committee in all assessments; › Annual investment assessments by management presented to external auditors; › Organisation strategy is not capital asset intensive; › The performance and documentation of upfront due diligences on potential acquisitions by qualified and experienced professional staff, with the assistance of external experts.	› Growth - Strategic Acquisitions › Efficiency and Effectiveness	› Financial Capital › Human Capital › Manufactured Capital	› Shareholders › Employees
OPERATIONAL	Business Continuity Risk	Risk associated with the new services offered by Santova Specialised Projects, namely sourcing, procurement, consultancy and project management.	Reduced profitability and/or financial loss as a result of claims, lost business or lost reputation arising out of errors or omissions when offering new services.	Moderate	› Personnel with the requisite skills and experience are placed in these new areas; › Formal mapping out of processes by experienced employees to ensure risks are managed and necessary training is undertaken; › Insurance cover is obtained, where possible, to transfer risk; › Relevant contracts are drafted and in place to limit liability and define key processes to avoid errors and omissions.	› Diversification › Innovation - Supply Chain Innovation › Efficiency and Effectiveness	› Human Capital › Intellectual Capital › Social & Relationship Capital	› Shareholders › Clients › Employees
FINANCIAL	Credit Risk	Credit Assessment - Failure of upfront credit assessment resulting in Group conducting business with un-creditworthy clients or allocating incorrect limits.	Strain on credit insurance relationship, cost of legal action, the writing off of bad debts, reduced earnings and the cost of time resources in the recovery as a result.	Moderate	› Long established formal credit process and culture of credit assessment within the entire Group; › Formalised credit documentation and contracts worldwide; › Established authority limits, well trained employees and monthly or twice-monthly meetings to check credit issues and limits; › Credit underwriters used in South Africa (traditionally a credit market) to transfer risk.	› Efficiency and Effectiveness › Innovation - Talent Pool	› Human Capital › Financial Capital	› Financial Institutions / Bankers › Credit Underwriters › Shareholders › Clients › Employees

HOW WE SUSTAIN VALUE

Santova's key strategic initiatives of **Growth**, **Innovation**, **Diversification** as well as **Efficiency and Effectiveness** are all focused on ensuring that the Group creates long term sustainable value for all stakeholders.

In implementing these strategies, the Group's sustainability initiatives are grounded in four key sustainability pillars, namely:

ECONOMIC SUSTAINABILITY

- These efforts are focused primarily on shareholders as the principal providers of capital. The aim is to deliver above market share appreciation and consistent dividend payments, supported by the Group's growth in profitability, thereby maximising shareholder returns;
- The Group achieves this through creating a consistent and sound financial position that meets the Group's working capital requirements, thus providing a platform to leverage off and create sustainable revenue, cash flow and growth in profitability;
- The results of the Group's economic sustainability performance for the past financial period are detailed in the Financial Review section of this report.

GOVERNANCE SUSTAINABILITY

- With **Accountability** and **Integrity** forming a fundamental part of our core values, the Group strives to achieve a high level of good corporate governance and citizenship, so as to safeguard the Group's assets and ensure the success of all its sustainability initiatives;
- We therefore focus on implementing local and international best practice in applying codes of good practice and regulatory requirements;
- The Group's corporate governance structures, methodologies and assessment of our level of compliance in terms of best practice, is detailed in the Governance Review section of this report.

SOCIAL SUSTAINABILITY

- As a result of our business model being that of a truly non-asset based specialised supply chain consulting business, our human capital or employees are the primary benefactors of the value we create through our revenues;
- As a result, our social sustainability initiatives focus firstly on our internal human capital or employees with programmes covering wellness, skills development, training, health and safety, HIV Aids and other diseases and employment equity;
- Secondly, our key external social sustainability initiatives focus on corporate social responsibility programmes. As a Group that does not have a significant social impact on the communities around us, we have been free to identify the most appropriate beneficiaries of our programmes in each region in which we operate. Our collective efforts within the period have largely been focused on children in need;
- All of the Group's internal and external social initiatives are detailed in the 2017 Social and Environment Report which may be found on our website www.santova.com.

ENVIRONMENTAL SUSTAINABILITY

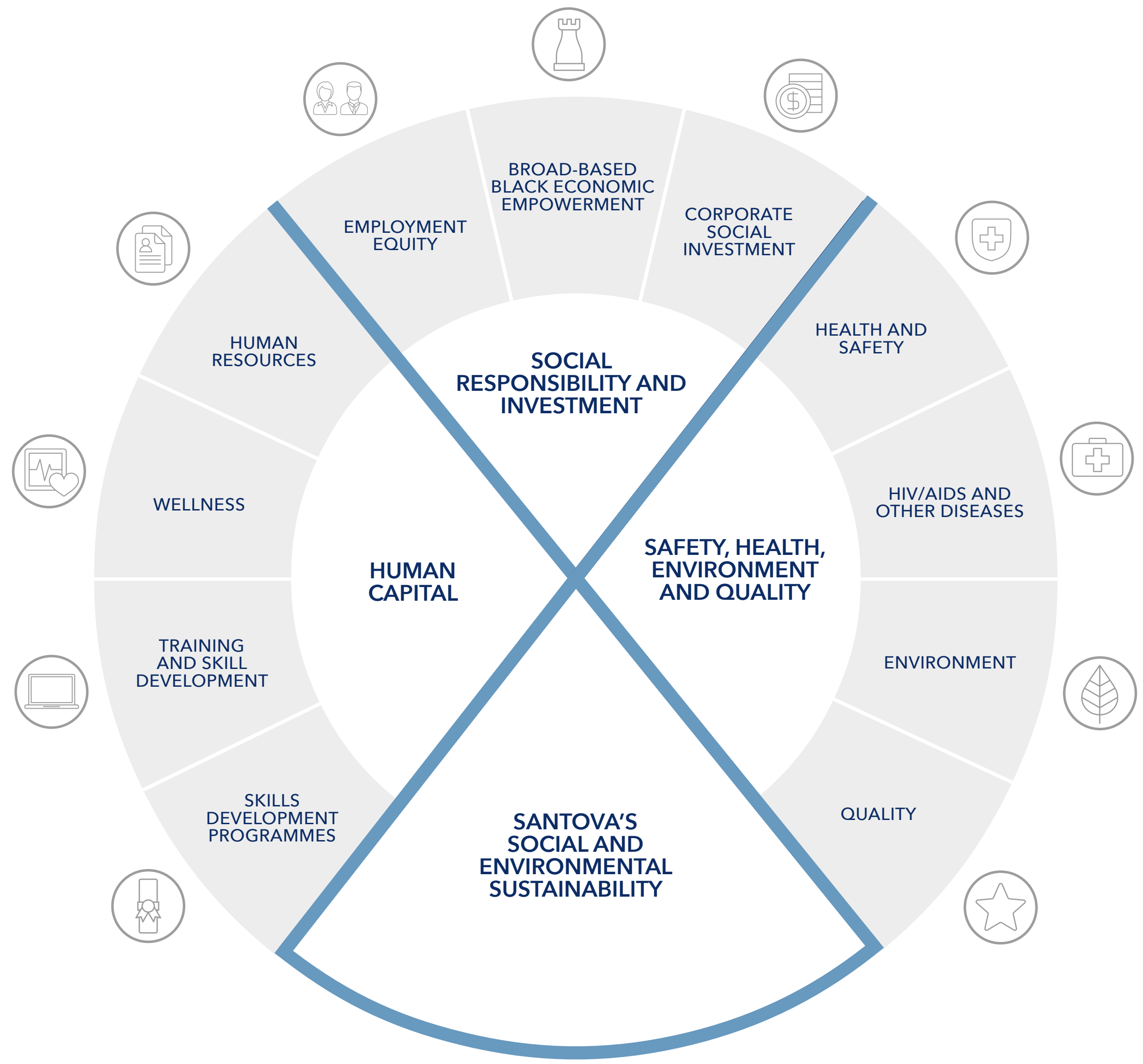
- As a non-asset based logistics consulting business that operates through an urban based infrastructure of offices, our opportunity to implement meaningful large scale environmental sustainability initiatives are limited;
- However, within this context, the Group strives to make an impact on the environment and its sustainability initiatives are therefore focused on the consumption of energy and resources and recycling within the office environment;
- The Group's environmental initiatives are detailed in the Social and Environment Report which may be found on our website www.santova.com.

For the **third consecutive year** Santova received an award for our 2016 sustainability report: The highest Sustainability Data Transparency Index ("SDTI") score in the Transportation Sector on the Johannesburg Stock Exchange ("JSE") for the IRAS (Integrated Reporting & Assurance Services) SDTI, Review of Environment, Social and Governance Reporting in South Africa for 2016. Santova obtained an SDTI score of 74,18%. Santova was ranked 12th out of 311 reviewed JSE listed companies.

To build on this success, the Group has engaged Integrated Reporting & Assurance Services (IRAS) to provide an independent third party assurance (ITPA) over the sustainability content within its 2017 Annual Integrated Report and 2017 Social and Environment Report. This was Santova's first year of external assurance and a copy of the Independent Assurance Statement may be found at the end of the Social and Environment Report.

SOCIAL AND ENVIRONMENT REPORT

The Social and Environment Report provides an account of social and environmental sustainability within the Group over the financial year and is divided into the following sections as depicted in the diagram on the opposite page. In order to gain a complete insight into sustainability at Santova, the 2017 Social and Environment Report should be read in conjunction with this Annual Integrated Report and the Annual Financial Statements (which includes the Social and Ethics Committee Report), all of which may be found on our website www.santova.com.



The factors that have influenced the contents of the Social and Environment Report are the following:

- the material issues facing the Group and the industries within which the Group operates, which effect the society and environment;
- the disclosure requirement of sustainability matters to all stakeholders in an open, honest and transparent manner;
- the impact and probability of any significant risks that may arise when considering sustainability areas;
- the principles contained in the Santova Social and Ethics Register (this register contains a summary and analysis of the various social and other laws, codes and protocols prescribed by the Companies Act and other regulations);
- compliance with relevant law, regulations and codes of good practice;
- a consideration of the International Framework issued by the International Integrated Reporting Council; and
- and the effect of the six capitals, in general, on the creation of value over time.

SIX CAPITALS

The Social and Environment Report has been drafted to consider a wider stakeholder audience and its composition has been arranged to illustrate the impacts on society and environment rather than the effects of the 'capitals' on value creation over time.

However, as stated in the preceding factors influencing the report above, the report has taken cognisance of the International Framework issued by the International Integrated Reporting Council and therefore deals with elements of the 'capitals' and in particular, the more material elements of natural, social and relationship and human capital. However, in order to extract the complete analysis of the six capitals used by Santova to create value over time, one must consider Santova's entire Annual Integrated Report and Annual Financial Statements (which include the Social and Ethics Committee Report) in addition to Santova's Social and Environment Report.

SIX CAPITALS

Accordingly, the 'capitals' used by Santova to create value are summarised in the table below:

	INTELLECTUAL CAPITAL	HUMAN CAPITAL	SOCIAL AND RELATIONSHIP CAPITAL	FINANCIAL CAPITAL	MANUFACTURED CAPITAL	NATURAL CAPITAL*
DESCRIPTION	› In-house developed Supply Chain capabilities and IT resources and software	› Group employees' skills, knowledge and experience	› Relationships between Group and Stakeholders	› Funding supplied by Shareholders, Bankers and Creditors	› Global infrastructure of offices and equipment	› Office-based usage of water, energy, land and carbon emissions
ASSOCIATED STAKEHOLDERS	› Employees › IT Service Providers › Clients	› Employees › Suppliers › Clients	› Shareholders › Employees › Clients › Agents › Suppliers › Government / Regulators › Communities	› Shareholders › Financial Institutions / Bankers › Credit Underwriters › Creditors	› Suppliers › Employees › Communities	› Government / Regulators › Suppliers › Communities
ASSOCIATED STRATEGIC INITIATIVES	› Innovation– Technology Innovation › Innovation – Supply Chain Innovation › Diversification	› Innovation – Talent Pool › Efficiency and Effectiveness › Growth – Organic Growth	› Diversification › Efficiency and Effectiveness	› Growth – Acquisitions › Growth – Organic Growth	› Diversification › Growth – Acquisitions › Growth – Organic Growth	› Diversification › Growth – Acquisitions › Growth – Organic Growth
LOCATION IN ANNUAL INTEGRATED REPORT	› Our Strategy › Our Key Differentiators › Our Investment Case › Our Business Model › Our Key Relationships › Governance Review › How we manage Risk › Chairman and Chief Executive Officer's Review	› Who are we › Our Strategy › Our Culture & Values › Our Key Differentiators › Our Business Model › Our Key Relationships › How we manage Risk › How we Sustain Value › How we Create Value › Chairman and Chief Executive Officer's Review › Who Governs Us › How we Remunerate	› Our Strategy › Our Business Model › Our Culture & Values › Our Key Differentiators › Our Key Relationships › How we manage Risk › How we Sustain Value › How we Create and Distribute Value › Chairman and Chief Executive Officer's Review › Shareholder Information	› How we Performed (Financial Highlights) › Our Strategy › Our Business Model › Our Key Relationships › Our Investment Case › How we Create Value › Financial Review › Shareholder Information	› Our Strategy › Our Key Differentiators › Our Business Model › Competitive Positioning › Where we operate › How we Create Value › Chairman and Chief Executive Officer's Review	› How we Create Value
LOCATION IN SOCIAL AND ENVIRONMENT REPORT	› Human Resources › Training and Skills Development	› Human Resources › Wellness › Training and Skills Development › Skills Development Programmes › Employment Equity › Health and Safety › HIV/AIDS and Other Diseases	› Corporate Social Investment › Skills Development Programmes › Employment Equity › Broad-based Black Economic Empowerment › Quality			› Environment
LOCATION IN ANNUAL FINANCIAL STATEMENTS (Includes Audit & Risk and Social & Ethics Committee Reports)		› Social and Ethics Committee Report		› Annual Financial Statements › Audit & Risk Committee Report	› Annual Financial Statements (Segment Report)	

*Not material

HOW WE CREATE VALUE

Santova generates value through the co-ordination and control of the transportation of clients' goods across the entire global supply chain from source to destination, in a timely and cost efficient manner. To achieve this the Group utilises the physical logistics resources and capabilities of specialised external logistics providers, together with leading in-house developed intellectual property and information technology systems.

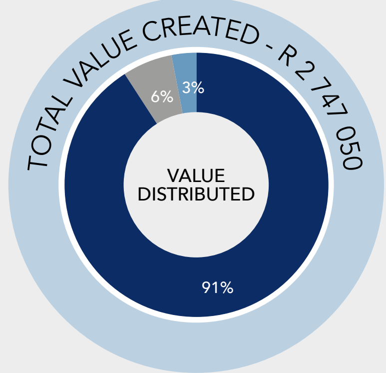
In creating this value for our key stakeholders, the Group acts as an agent on behalf of our clients by contracting for services from our suppliers and paying for those services on behalf of the clients.

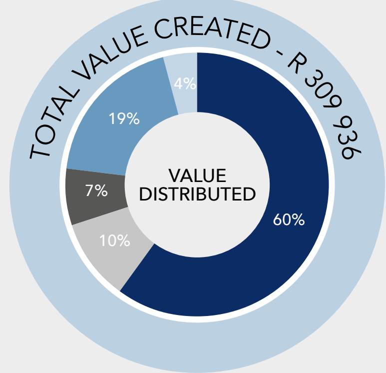
As a result of this, a meaningful evaluation of the value we create and distribute is best described in two ways:

› **Revenue Basis** - where we show how only the direct revenue earned by the Group is created and distributed; and

› **Billings Basis** - where we show how the total recoverable costs incurred on behalf of clients and the direct revenue earned by the Group, are created and distributed.

	BILLINGS	REVENUE
VALUE CREATED	On the **Billing Basis** total value created is demonstrated by adding our direct revenue to the costs that the Group incurs as an agent on its clients' behalf. These costs are primarily customs VAT and duties and various transportation costs.	On the **Revenue Basis**, the total value we create is through the direct revenue earned by Santova when acting as an agent on behalf of clients and is primarily made up of various agency and logistics related fees and commission earned.
VALUE DISTRIBUTED	On the **Billing Basis**, the value distributed identifies the significant, legally enforced role that the Group plays as a collection agent on behalf of Revenue authorities, principally in South Africa. It does so through the collection from clients and bulk payment to Revenue authorities, of primarily customs related VAT, taxes and duties.	The value distributed on 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 strategy by being primary benefactors of value distributed, through the payment of fixed and variable remuneration.





VALUE ADDED STATEMENT

	2017				2016			
	Billings Basis R'000	%	Revenue Basis R'000	%	Billings Basis R'000	%	Revenue Basis R'000	%
Value Created	2 747 050		309 936		2 719 913		253 925	
Value Created per employee	8 505		960		8 473		791	
Employees	175 375	6%	175 375	57%	149 674	6%	149 674	59%
Governments	2 461 745	90%	24 631	8%	2 483 572	91%	17 583	7%
Financiers	31 229	1%	31 229	10%	24 908	1%	24 908	10%
IT Providers	11 148	0%	11 148	4%	8 934	0%	8 934	4%
Shareholders	67 553	2%	67 553	22%	52 826	2%	52 826	21%
Value Distributed	2 747 050	99%	309 936	101%	2 719 913	100%	253 925	100%
Value distributed to employees - per employee	543	6%	543	57%	466	6%	466	59%

CHAIRMAN'S AND CHIEF EXECUTIVE OFFICER'S REVIEW

The impressive performance of the Group year to date certainly does not reflect the realities of the trading environment in which we find ourselves. However, it can be said that such an achievement is the result of a 'sound business model' whose performance has emanated out of a strong culture founded on sound business principles and values. It is an environment wherein the people of the business embrace innovation or change with knowledge, understanding and most importantly, 'ownership' of the tasks at hand.

The year under review constituted a 'mixed bag' of results. Considering the year was one of the most challenging in the last seven years, good progress was made in Hong Kong, Australia, Germany, the Netherlands and South Africa. In particular, South Africa, where a good recovery was made in the second half of the financial year, amidst extremely unfavourable trading conditions.

Notwithstanding a significantly strengthened Rand, a weak Pound (Brexit) and extremely challenging economic conditions in South Africa, the diversified nature of the earnings of the Group limited the impact of these challenges which have adversely effected so many companies in South Africa. Revenue of R315,4 million for the year is 13,2% up on the previous year's figure of R278,7 million and net profit before tax has increased by 31,9% to R88,0 million from R66,7 million. Yet again, offshore earnings strengthened even further and now constitute 62,1% of total earnings, up almost 4,8% from 57,31% in 2016.

In short, focused 'hands-on' leadership, the Group's strategic direction and the business model have once again served the Group well.

TRANSCENDING CHALLENGES

Whilst a solid set of results were achieved, the following challenges were transcended successfully by the Group:

- Brexit, which was followed by a weakening of the Pound resulting in reduced local operating profit margins;
- The strengthening Rand, which impacted on the gross profit margins of our domestic operations where freight profit margins and fees raised on disbursements (value of goods) have been reduced. This has also had an impact on Group earnings where the consolidation of offshore earnings (reported in Rands) has resulted in reduced contributions;
- Whilst the Group has shown organic growth, the extent of that growth has been limited by the relatively small contribution that emanated out of Germany and the loss recorded in Mauritius. However, we need to acknowledge that these two businesses constitute 'grass roots' operations that have been identified as strategic investments for the Group going forward. Their progress during the year has been positive and looks well set to continue the upward trend;
- The disappointing performance of W.M. Shipping has also had an impact on Group results. This can be attributed to the limited vessel capacity and low freight rates that characterised the shipping industry during 2016, in particular, the traded lanes between the United Kingdom, the Caribbean and the Middle East. Whilst higher rates will benefit this business (greater margins) in the medium term, the impact in the short term is adverse; and
- The socio-eco-political quagmire that continues to pose a significant threat to the sustainability of the South African economy. The result of which has been significantly diminished trade volumes throughout virtually all sectors of the South African economy with 2016 being the worst of the last five-year downward trend.

STRATEGIC PRIORITIES

The performance of the Group against our four key objectives: growth, diversification, innovation, efficiency and effectiveness, has been successful.

The Group has achieved **sound organic growth** in most of the offices worldwide. This growth has been generated mainly through new business development, particularly in South Africa, Hong Kong, Australia, the Netherlands and Germany.

Most impressive is South Africa, where amidst unrelenting eco-political challenges and diminishing trade volumes, the high rate at which new business has been signed on has hedged Santova against the industry norm of negative or very limited growth. In what can currently be described as a 'disrupted' South African logistics environment, our global foot print, end-to-end supply chain solutions and next generation technological capability have enabled us to differentiate ourselves from our competitors through meeting the ever-growing complexity in client supply chain processes. In Europe, our offices in both the Netherlands and Germany continue to make meaningful progress in both new business development and trade route development. This has been largely achieved off the back of greater consolidated volumes, which has offered this region highly competitive buy rates. The fact that the Netherlands serves as a strategic gateway for most of Europe has ensured sustainable year-on-year growth in this region.

Closely aligned to our growth model is our unrelenting focus on **diversifying the business**. This diversification relates not only to services but also to markets, geographies, currencies and niche trade routes, internationally. The test of such decisions is always based on the attractiveness of the opportunity (economic/cultural fit), cost-to-entry (money/time) and value add (competitive advantage/earnings enhancing) that may prevail in such opportunities. The purpose being to lessen our risk whilst at the same time promoting or accelerating quality earnings growth. Our acquisition of Tradeway and the introduction of the Group's client sourcing and procurement services division, are good examples of such diversification, both of which have contributed to quality earnings growth.

Our third key priority concerns the continuous process of **innovation** and its effective application (relevance) in the market. It is widely acknowledged that the logistics industry is in a 'state of change' and faces the prevailing threat of being commoditised. However, despite this ever-present threat, relatively few service providers have embraced or leveraged off technological advancements. It is in this context that Santova has continued to 'institutionalise' the drive for efficiency-effectiveness through innovation and most importantly, next generation technological advancements. In so doing, we are now close to taking the offshore operations to their next level of capability, which will enable virtual end-to-end solutions, a common global system, including predictive analytics. Our offices in the United Kingdom and, in particular, the Netherlands, will no doubt benefit from such capability as their expansive client bases have not been exposed to such technological integration, data extraction and automated report writing.

No less important is our fourth priority of continuous improvement in **business efficiency – effectiveness.** Particularly, as it relates to our internal operating environment, where changes (challenges) imposed upon us have been effectively managed through the continuous re-engineering of workflow processes, systems and standard operating procedures. This has also been well supported by our South African operation whose ISO 9001 2008 certification (quality management systems standard) has enhanced customer satisfaction through the effective application and continual improvement of the system, including the assurance of conformity to customer and applicable statutory and regulatory requirements. This, together with the single cloud based IT Platform currently being rolled-out worldwide, will facilitate even greater efficiencies and effectiveness by being able to house all information relating to the operational activities in the supply chain in a single, central database. The result of this will be the elimination of a significant amount of duplication in data capturing and operational procedures that is typical of today's 3PL service providers.

LOOKING FORWARD

Looking forward, there are four priorities on which the Group is focused:

- **Acquisitions** - further entrenching our business offshore through one or two acquisitions that are located on strategic trade routes, enabling the continued diversification of the Group in terms of geographic regions, currencies, industries and services;
- **Technology** - the migration of the Group onto next generation information and communication technologies (Tradenav) which will facilitate the faster processing of data, easier retrieval of information, elimination of errors and efficiency in the time it takes to complete a shipment;
- **Advanced supply chain services** - the continued deployment of advanced client-centric supply chain services and solutions throughout the United Kingdom and Europe, particularly the Netherlands and Germany; and
- **Talent pool** - investing in, developing and cultivating dedicated, skilled and knowledgeable employees (internationally) who are attuned to the Group's entrepreneurial culture and knowledge intensive business model.

Considering the findings of The Global Logistics Report 2016, the deployment of Santova's strategies are well justified. These strategies, together with effective execution, leadership accountability and continued acquisition and development of quality businesses/people, will hold us in good stead going forward. The extent to which we can achieve the above will determine the extent to which we will continue to be resilient in the face of subdued global economies going forward.

APPRECIATION

Despite difficult trading conditions both internationally and in South Africa, the team have once again built on the achievements of the previous year. We wish to express our appreciation and gratitude to our colleagues for embracing the entrepreneurial spirit and the unquestionable tenacity in which our challenges and achievements have been lived. The ease and extent to which all Santovians have embraced and capitalised on global changes has indeed been admirable.

We would also like to extend our appreciation to our clients, suppliers, business associates and shareholders who have 'walked the journey' with us. We look forward to building on these relationships further as we continue to build our global footprint.

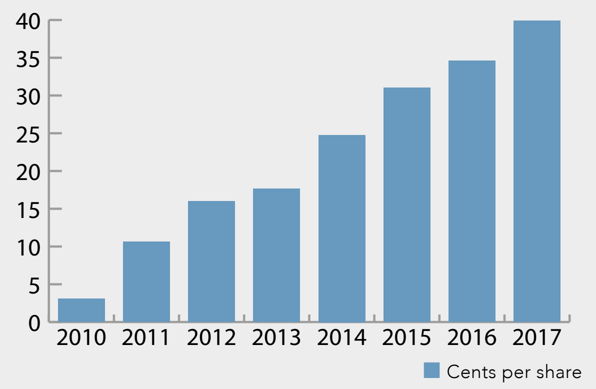
FINANCIAL REVIEW

We are pleased to present the Group's results for the 2017 financial year, which highlight the success of the Group's strategy and ability to generate long term economic sustainability for all stakeholders.

HIGHLIGHTS

Notwithstanding the past year, which was one categorised with significant economic and socio-political challenges, both in South Africa and internationally, the Group was able to achieve sound profit growth and the continuation of a seven year unbroken profit growth history, since the financial crises of 2007/2008. This is a testimony to the core pillars of the Group's strategy of growth, innovation, diversification and efficiency and effectiveness, which have enabled it to overcome not only socio-eco-political challenges but also create meaningful value for stakeholders since its inception 15 years ago when it first listed on the Development Capital Board of the JSE.

HEADLINE EARNINGS PER SHARE



The key highlights and events that had a material impact on the Group's results for 2017, include:

- The significant strengthening of the South African Rand against major currencies, primarily the British Pound, which had a material impact on the Group's foreign currency translation reserves;
- The inclusion of the results from Tradeway (Shipping) for a full 12 month period following its acquisition in December 2015;
- Strong operational performances in Australia, Hong Kong and the Netherlands, which resulted in increases in profit before tax of 56,7%, 758,2% and 37,7% respectively, despite the strengthening of the South African Rand;
- A very solid operational performance in the Group's South African operations resulting in a 20,2% growth in profit before tax, despite the negative impact of the South African economy on trade volumes;
- A 114,8% reduction in the profit generated by W.M. Shipping in the United Kingdom resulting in a loss being incurred for the year;
- Strong cash generation with cash generated from operations increasing 85,7% and the continued accelerated debt repayment, which resulted in a further reduction of the Group's debt to equity ratio to 53,0%; and
- The contribution of the Group's offshore operations to profit for the year, increasing to 62,1% in 2017.

GROUP PROFITABILITY

The Group's overall profitability for 2017 was characterised by the following key events and results:

- A 31,9% increase in consolidated profit before taxation from R66,7 million in 2016 to R88,0 million in 2017;
- A 15,6% increase in basic earnings per share and a 15,4% increase in headline earnings per share, both diluted by the increased level of shares in issue following the capital raising in the prior period to fund the acquisition of Tradeway (Shipping);
- A modest 7,3% increase in billings to R4,1 billion, which is the core measure of trade volumes within the Group, being the total recoverable disbursements and fees invoiced to clients during the year;
- The growth in billings during 2017 being constrained by:
  - The state of the South African economy, which impacted on trade volumes and is evidenced by approximately 4% reduction in SA Port Volumes of imported containers;
  - Overcapacity in the international shipping market, which has led to lower shipping rates;
  - Brexit, which has led to a significant weakening of the British Pound and general uncertainty and negative sentiment within the United Kingdom market; and
  - The weaker trade volumes internationally due to falling consumer demand and slowing GDP growth in certain major economies, in particular China;
- Growth in revenue being leveraged upwards to 13,2% as a result of an improved revenue/billings margin from 7,3% in 2016 to 7,7% in 2017. This was a result of the Group's efficiency and effectiveness strategy, which saw it focusing on much improved buy rates internationally whilst also benefiting from its consolidated volumes;
- A 103,3% increase in other income from R11,2 million in 2016 to R22,8 million in 2017, which was principally driven by significantly increased foreign translation gains. The Group benefitted from the strengthening of the Rand via internal hedging, which locked in gains from the revaluation of financial liabilities. This was done in order to offset and mitigate the negative impact of the Rand's strengthening on the translation of foreign generated profits;
- A 115,9% increase in finance costs from R4,3 million in 2016 to R9,2 million in 2017, as a result of the additional R60 million medium term loan taken out in 2016 to finance the acquisition of Tradeway (Shipping); and
- A material reversal and movement from a profit of R42,8 million in 2016 to a loss of R78,8 million in 2017 in exchange differences arising from translation of the Group's foreign operations, which forms part of other comprehensive income and does not impact earnings per share but is offset directly against capital and reserves. This is primarily due to the R6,06 or 27,2% strengthening of the South African Rand closing exchange rate to the British Pound in translating the carrying value and goodwill of the Group's two largest acquisitions, W.M. Shipping and Tradeway (Shipping), both of which are British Pound denominated.

GROUP CONSOLIDATED PROFIT OR LOSS	2017 R'000	2016 R'000	Movement %
GROSS BILLINGS	**4 073 868**	3 797 890	7,3%
Revenue after net interest income	**315 415**	278 655	13,2%
Other income	**22 765**	11 196	103,3%
Depreciation and amortisation	**(5 921)**	(4 043)	46,5%
Administrative expenses	**(235 476)**	(215 022)	9,5%
Operating profit	**96 783**	70 786	36,7%
Interest received	**427**	205	108,3%
Finance costs	**(9 187)**	(4 255)	115,9%
Profit before taxation	**88 023**	66 736	31,9%
Income tax	**(23 403)**	(16 841)	39,0%
Profit for the year	**64 620**	49 895	29,5%
Attributable to:			
Equity holders of the parent	**62 791**	48 713	28,9%
Non-controlling interests	**1 829**	1 182	54,7%
Other comprehensive income			
Exchange differences arising from translation	**(78 840)**	42 796	(284,2)%
Net actuarial (loss)/gain	**(62)**	18	(444,4)%
Total comprehensive income	**(14 282)**	92 709	(115,4)%
Key ratios:			
- Billings/revenue margin	**7,7%**	7,3%	0,4%
- Operating margin	**30,7%**	25,4%	5,3%
- Effective tax rate	**26,6%**	25,2%	1,4%
- Interest cover (times)	**11,0**	17,5	(6,5)
- Basic earnings per share (cents)	**39,87**	34,50	15,6%
- Headline earnings per share (cents)	**39,89**	34,58	15,4%
- Dividends per share (cents)	**6,25**	5,50	13,6%
- Dividend cover (times)	**6,4**	6,3	0,1
- Return on equity	**17,0%**	16,1%	0,9%
- Percentage offshore earnings	**62,1%**	57,3%	4,8%
Average exchange rates:			
- USD/ZAR	**14,26**	13,49	5,7%
- GBP/ZAR	**18,92**	20,37	(7,1)%
- EUR/ZAR	**15,71**	14,86	5,7%
- USD/GBP	**1,32**	1,51	(12,6)%

FINANCIAL REVIEW CONTINUED

REGIONAL PERFORMANCE

On a regional basis, the key drivers behind the Group's improved profitability in the current year have been derived from the implementation of its core strategy of geographic diversification. The result has been a combination of strong and much improved performances from certain key regions, which was offset by the further investment in 'grass roots' operations in the Ghana and Mauritius regions and the operating losses incurred by W.M. Shipping, United Kingdom.

Those regions that performed strongly, include:

- Australia, where a 13,9% growth in revenue leveraged by a 6,8% reduction in administration expenses has contributed to a significant 56,7% increase in profit before tax to R10,5 million in 2017, from R6,7 million in 2016;
- South Africa, where improved revenue to billing margins of 5,1% in the current year combined with a 2,6% reduction in administration expenses, has resulted in an impressive 20,2% increase in profit before tax to R31,8 million in 2017, from R26,5 million in 2016;
- Hong Kong, which has seen a significant turnaround and return to former profitability levels in the current period, recording a R3,3 million profit in 2017, versus a R0,4 million profit in the prior year;
- The Netherlands, where a 10,0% growth in revenue leveraged by a 9,1% reduction in administration expenses has contributed to a meaningful 37,7% increase in profit before tax to R26,2 million in 2017, from R19,0 million in 2016; and
- The consolidation of Tradeway (Shipping) for a full 12 months in 2017 versus three months in the prior period, resulting in a 158,4% increase in profit before taxation from R6,0 million in 2016, to R15,4 million in 2017.

Those regions that negatively impacted the current year's performance, include:

- The Ghana and Mauritius regions into which considerable further management time and capital was invested in operational costs during the current year by the Group. In total R3,0 million was invested into these two regions in the current financial period, versus R1,2 million in the prior period. A key strategic decision was taken at the end of the financial period to close the Ghana office due to an unfavourable trading environment and management's view that the region was no longer financially viable.
- W.M. Shipping in the United Kingdom where, due to a number of factors, profits of R6,0 million in 2016 were reversed into a pre-tax loss of R1,2 million in the current period.

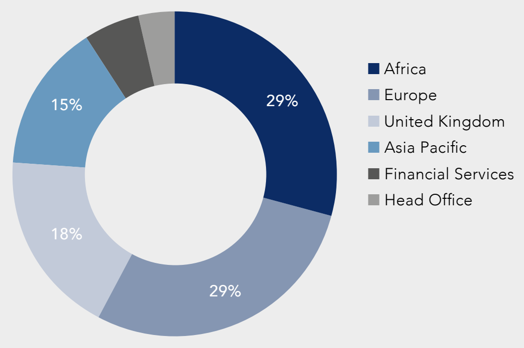
BUSINESS SEGMENTS

	Logistics Services R'000	Financial Services R'000	Head Office R'000	GROUP R'000
2017				
Gross billings	**4 064 978**	**8 624**	**266**	**4 073 868**
Percentage movement	*7,3%*	*(3,9%)*	*(62,0%)*	*7,3%*
Revenue after net interest income	**306 677**	**9 500**	**(762)**	**315 415**
Percentage movement	*13,9%*	*(4,8%)*	*52,4%*	*13,2%*
Operating profit	**86 772**	**3 843**	**6 168**	**96 783**
Percentage movement	*33,7%*	*(14,5%)*	*347,9%*	*36,7%*
Profit for the year	**63 334**	**3 742**	**(2 456)**	**64 620**
Percentage movement	*31,7%*	*(8,5%)*	*8,1%*	*29,5%*
Total assets	**792 295**	**12 767**	**91 010**	**896 072**
Percentage movement	*(7,9%)*	*26,7%*	*(40,6%)*	**(12,4%)**
Total liabilities	**505 841**	**763**	**23 901**	**530 505**
Percentage movement	*(10,2%)*	*(9,2%)*	*(67,2%)*	*(16,7%)*
Key ratios:				
- Revenue/Billings Margin	**7,5%**	**110,2%**	**(286,5%)**	**7,7%**
Percentage movement	*0,4%*	*(1,0%)*	*(215,0%*	*0,4%*
- Operating Margin	**28,3%**	**40,5%**	**(809,4%)**	**30,7%**
Percentage movement	*4,2%*	*(4,6%)*	*(534,0%)*	*5,3%*

GEOGRAPHICAL SEGMENTS

	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	TOTAL R'000
2017					
Gross billings	**2 524 680**	**230 834**	**681 210**	**628 254**	**4 064 978**
Percentage movement	*(6,8%)*	*19,6%*	*69,1%*	*30,2%*	*7,3%*
Revenue after net interest income	**134 020**	**31 728**	**72 897**	**68 032**	**306 677**
Percentage movement	*2,1%*	*27,0%*	*33,9%*	*16,3%*	*13,9%*
Operating Profit	**31 122**	**13 606**	**15 833**	**26 211**	**86 772**
Percentage movement	*16,1%*	*93,1%*	*12,0%*	*54,9%*	*33,7%*
Profit for the year	**20 456**	**10 292**	**12 809**	**19 777**	**63 334**
Percentage movement	*12,0%*	*102,1%*	*12,1%*	*48,8%*	*31,7%*
Total assets	**492 369**	**61 514**	**159 035**	**79 377**	**792 295**
Percentage movement	*(5,3%)*	*3,0%*	*(18,1%)*	*(7,8%)*	*(7,9%)*
Total liabilities	**360 153**	**20 206**	**66 702**	**58 780**	**505 841**
Percentage movement	*(12,8%)*	*(3,8%)*	*(11,9%)*	*10,4%*	*(10,2%)*
Key ratios:					
- Revenue/Billings Margin	**5,3%**	**13,7%**	**10,7%**	**10,8%**	**7,5%**
Percentage movement	*0,5%*	*0,8%*	*(2,8%)*	*(1,3%)*	*0,4%*
- Operating Margin	**23,2%**	**42,9%**	**21,7%**	**38,5%**	**28,3%**
Percentage movement	*2,8%*	*14,7%*	*(4,2%)*	*(9,6%)*	*4,2%*

2017 PROFIT FOR THE YEAR



GROUP CONSOLIDATED FINANCIAL POSITION

	2017 R'000	2016 R'000	Movement %
ASSETS			
Non-current assets	**213 265**	262 221	(18,7)%
Property, plant and equipment	**18 540**	25 086	(26,1)%
Intangible assets	**178 494**	222 881	(19,9)%
Financial assets	**6 332**	4 536	39,6%
Deferred taxation	**9 899**	9 718	1,9%
Current assets	**682 807**	760 944	(10,3)%
Trade receivables	**539 111**	590 133	(8,6)%
Other receivables and financial assets	**51 463**	46 769	10,0%
Current tax receivable	**453**	385	17,7%
Cash and cash equivalents	**91 780**	123 657	(25,8)%
	896 072	1 023 165	(12,4)%
EQUITY AND LIABILITIES			
Capital and reserves	**365 567**	386 415	(5,4)%
Stated capital and equity compensation reserves	**218 179**	216 106	1,0%
Foreign currency translation reserve	**(15 901)**	62 044	(125,6)%
Accumulated profit	**156 117**	102 027	53,0%
Attributable to equity holders of the parent	**358 395**	380 177	(5,7)%
Non-controlling interests	**7 172**	6 238	15,0%
Non-current liabilities	**38 930**	76 329	(49,0)%
Interest-bearing borrowings	**36 552**	57 043	(35,9)%
Long-term provision	**1 425**	1 500	(5,0)%
Financial liabilities	**-**	17 786	(100,0)%
Deferred taxation	**953**	-	100,0%
Current liabilities	**491 575**	560 421	(12,3)%
Trade and other payables	**205 464**	216 154	(4,9)%
Current tax payable	**4 001**	8 000	(50,0)%
Current portion of interest-bearing borrowings	**20 541**	18 620	10,3%
Amounts owing to related parties	**246**	302	(18,6)%
Financial liabilities	**15 135**	31 348	(51,7)%
Short-term borrowings and overdrafts	**228 380**	262 918	(13,1)%
Short-term provisions	**17 808**	23 079	(22,8)%
	896 072	1 023 165	(12,4)%
Key ratios:			
- Debtor days	**48,3**	56,7	(8,4)
- Creditor days	**19,9**	22,3	(2,4)
- Debt to equity ratio	**53,0%**	55,6%	(2,6)%
- NAV per share	**2,31**	2,45	(5,7)%
- Tangible NAV per share	**1,18**	1,04	13,5%
- Current ratio	**2,2**	2,1	0,1
Closing exchange rates:			
- GBP/ZAR	**16,19**	22,25	(27,2)%
- Euro/ZAR	**13,80**	17,47	(21,0)%
Credit ratios:			
Trade Receivable impairment provisions at year end			
- Total amount	**10 666**	19 003	(43,9)%
- Percentage of Trade Receivables	**1,98%**	3,22%	(1,24)%
Impairment of Trade Receivables written off during the year			
- Total amount (net of recoveries)	**224**	2 181	(89,7)%
- Percentage of Trade Receivables	**0,04%**	0,37%	(0,33)%
Ageing of Trade Receivables			
- Total amount >60 days past terms	**7 967**	8 426	(5,4)%
- Percentage >60 days past terms	**1,48%**	1,43%	(0,05)%

FINANCIAL REVIEW CONTINUED

FINANCIAL POSITION

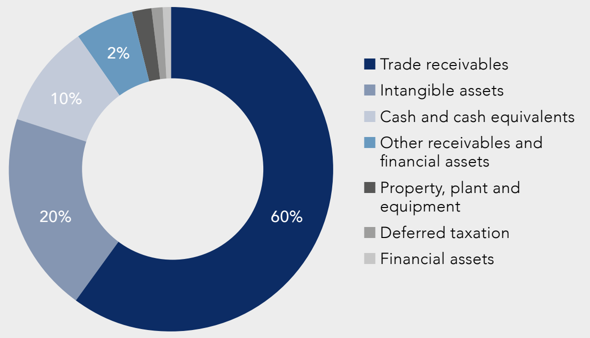
The overall structure of the Group's balance sheet at the end of the current financial period demonstrates a high level of consistency and soundness year on year, with no material changes in key ratios and measurements. This sets a solid platform for the Group to continue to implement its core strategies in the coming financial periods and provides further evidence of its long term economic sustainability.

As highlighted in this report, the Group experienced a 27.2% strengthening at year end in the closing exchange rate of the South African Rand to the British Pound, impacting on the translation of the carrying value and goodwill related to the Group's most material offshore investments. As a result, most line items across the face of the Group's statement of financial position, including total capital and reserves, decreased relatively year on year due to translation adjustments.

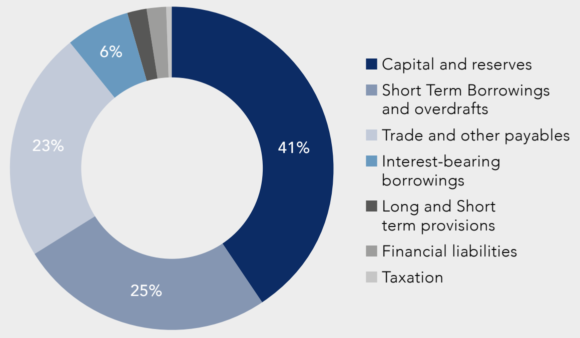
However, underpinning this consistent overall foreign currency translation reduction in most classes of assets and liabilities is:

- A 29,5% increase in profit for the period which has resulted in a 53,0% increase in accumulated profit from R102,0 million in 2016 to R156,1 million in 2017;
- Strongly improved cash generation leading to accelerated repayment of debt and financial liabilities resulting in a lowering of the Group's debt to equity ratio from 55,6% in 2016 to 53,0% in 2017; and
- Continued exceptional management and collection of the Group's key asset being its trade receivables book as demonstrated by a reduction in debtors' days outstanding from 56.7 days in 2016 to 48.3 days in 2017 and a 89,7% reduction in actual net impairments of trade receivables from R2,2 million in 2016 to R0,2 million in 2017. Both of which have contributed to a reduction of the required level of impairment provisions at year end from R19,0 million or 3,2% of the trade receivables book in 2016, to R10,7 million or 2,0% in 2017.

TOTAL ASSETS



TOTAL CAPTAL AND LIABILITIES



CASH FLOWS

The Group generated significantly improved cash flows in 2017. Cash generated from operations increased 86,8% from R48,2 million in 2016 to R90,1 million in 2017. This cash has been principally applied in the following ways during the financial year:

- R26,7 million in the payment of taxes, which are 85,5% higher than the prior period due to timing differences and improved profitability;
- R24,1 million in the settlement of contingent purchase price payments in respect of the Tradeway (Shipping) acquisition in 2015, following the meeting of certain conditions and targets by the sellers;
- R18,9 million in the repayment of both short term and long term debt, in particular the Group's two 5 year medium term loans, which are amortising and thus the capital repayments are accelerating; and
- R31,6 million in losses on foreign currency translation of the year end cash balances on hand in 2017, following the strengthening of the South African Rand to major currencies as highlighted above.

SUBSEQUENT EVENTS

There are no matters or transactions that have arisen since 28 February 2017 that are not otherwise covered in these results, that would materially affect the operations or results of the Group going forward.

FINANCIAL REVIEW CONTINUED

GROUP CONSOLIDATED CASH FLOW	2017 R'000	2016 R'000	Movement %
OPERATING ACTIVITIES			
Cash generated from operations	**90 080**	48 226	86,8%
Interest received	**427**	205	108,3%
Finance costs	**(7 337)**	(3 628)	102,2%
Taxation paid	**(26 696)**	(14 389)	85,5%
Net cash flows from operating activities	**56 474**	30 414	85,7%
INVESTING ACTIVITIES			
Plant and equipment acquired	**(1 606)**	(3 041)	(47,2)%
Intangible assets acquired and developed	**(2 658)**	(3 220)	(17,5)%
Proceeds on disposals of plant and equipment and intangible assets	**265**	310	(14,5)%
Settlement of acquired contingent purchase consideration	**(24 077)**	-	(100,0)%
Net cash flows on acquisition of subsidiaries	**-**	(59 275)	(100,0)%
Net cash flows from investing activities	**(28 076)**	(65 226)	(57,0)%
FINANCING ACTIVITIES			
Borrowings (repaid)/raised	**(18 885)**	48 861	(138,7)%
Issue of shares for cash	**273**	51 170	(99,5)%
Purchase of treasury shares	**(633)**	(998)	(36,6)%
Dividends paid	**(8 654)**	(5 794)	49,4%
Net cash flows from financing activities	**(27 899)**	93 239	(129,9)%
Net increase in cash and cash equivalents	**499**	58 427	(99,1)%
Difference arising on translation of foreign operations	**(31 619)**	19 576	(261,5)%
Cash and cash equivalents at beginning of year	**122 892**	44 889	173,8%
Cash and cash equivalents at end of year	**91 772**	122 892	(25,3)%
Debt to equity ratio	**53,0%**	55,6%	(2,6)%
Total cash on hand:	**100%**	100%	
- South Africa	**8%**	14%	(5)%
- Offshore	**92%**	86%	5%
Total funding facilities available	**451 056**	473 195	(4,7)%
Total unutilised funding facilities	**165 583**	135 610	22,1%

OUTLOOK

The economic and socio-political outlook for the coming year in both South Africa and internationally remains uncertain and in a state of transition following recent local and world events. To overcome this, Santova will continue to focus on its core strategies in the coming financial period with particular focus on:

- Growth and diversification through focusing on organic growth and identifying selected strategic acquisitions within regions that add to the Group's geographic and economic diversification of its global network on key trade routes;
- Innovation through ongoing development of its IT and supply chain capabilities as key differentiators. This includes further development and rollout to our client base of TradeNav®, the Group's second generation client interacting IT system and the launching of the full supply chain capability into the European region; and
- Efficiencies and effectiveness in service delivery to clients and driving standardisation across operational IT systems and procedures in all regions.

As a result of the above, this management is optimistic it can overcome any challenges that may present themselves and the Group will continue to focus on generating consistent growth in profitability and operating cash flows, whilst accelerating debt repayments and strengthening its capital and reserves and improving its debt to equity ratios.

WHO GOVERNS US

INDEPENDENT NON-EXECUTIVE DIRECTORS

EDWARD (TED) GARNER (77)
CA (SA), MBL (UNISA), MSIA (Carnegie Mellon, USA)
Chairman
Appointed: 5 June 2008
Committees: A&RC, SEC, Chairman NC, RC

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 (70)
CA (SA), CD (SA), F Inst. D
Appointed: 1 December 2010
Committees: A&RC, Chairman SEC, Chairman RC, NC

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. He is currently an independent non-executive director of Consolidated Infrastructure Group Limited. 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 (61)
CA (SA)
Appointed: 5 June 2008
Committees: Chairman A&RC, SEC, NC, RC

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 30 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 (52)
Pr Eng; BSc Eng Elec (Natal); NHD Eng Elec (DUT); Financial Management Diploma
Appointed: 25 February 2014
Committees: SEC

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 engineering experience spans over various companies including Unilever, WSP and Transnet. Ernest has also practiced as a consulting engineer for more than 15 years, specialising in industrial, commercial buildings and government infrastructural projects. He is a co-founder of the National Society of Black Engineers (NSBE) and a former member of the regional committee of the Black Management Forum (BMF). He has served on various Boards of private companies for more than 10 years including Fluor Igoda Pty Ltd (Chairman) and Electrowave (Pty) Ltd.

EXECUTIVE DIRECTORS

GLEN GERBER (54)
BA (Hons), MBA
Chief Executive Officer
Appointed: 1 February 2003
Committees: EXCO, RMC

Glen attained a BA Honours degree from 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 Ltd 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 2002, Glen joined Santova and has been instrumental in development of the Group over the last 14 years as CEO.

DAVID EDLEY (49)
CA (SA)
Group Financial Director
Appointed: 1 March 2012
Committees: EXCO, Chairman IT, RMC, HSC

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 (43)
Appointed: 22 February 2011
Committees: EXCO

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.

WHO GOVERNS US CONTINUED

COMPANY SECRETARY

JENNIFER LUPTON (75)
FCIS, M Inst. D
Appointed: 8 May 2003

Jenny is a Fellow Member of Chartered Secretaries Southern Africa and a Member of the Institute of Directors with many years' experience in the field of company secretarial practice and corporate governance. Having begun her career in Rhodesia in the early 1970's working for an investment banking organisation, where she gained experience in all aspects of company secretarial work in a wide variety of industries, she emigrated to South Africa in 1975 and continued as Company Secretary of various similar organisations and gained listed company experience. In 1994 she moved to KwaZulu-Natal, eventually starting her own company, Highway Corporate Services (Pty) Ltd, in 2002. Highway provides outsourced company secretarial and corporate governance services to listed and unlisted companies. It also provides work experience and mentoring for aspiring Company Secretaries and mentoring for emerging businesses seeking to become corporates.

PRESCRIBED OFFICERS

ANDREW LEWIS (38)
BCom, LLB, ACIS
Group Legal Advisor
Appointed member of EXCO: 25 January 2013
Committees: SEC, EXCO, Chairman RMC, Chairman CM, Chairman HSC

Andrew completed his BCom and LLB degrees at the University of Natal and thereafter he served his articles at Deneys Reitz Incorporated (now trading in South Africa as Norton Rose Fulbright). During his articles he gained experience in maritime, commercial litigation 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 12 years. In addition to his role as Group Legal Advisor, he serves as a director of Santova Logistics (Pty) Ltd, chairs the Risk Management Committee and National Customs Committee and is a member of the Social and Ethics Committee and Group Health and Safety Committee. Andrew was appointed a member of the Group Exco in January 2013.

Committee key:

A&RC – Audit and Risk Committee
SEC – Social and Ethics Committee
NC – Nomination Committee
RC – Remuneration Committee
EXCO – Group Executive Committee
RMC – Risk Management Committee
IT – IT Risk Management Committee
CM – National Customs Committee
HSC – Group Health and Safety Committee

GOVERNANCE REVIEW

King IV report on governance for South Africa defines corporate governance as the "exercise of ethical and effective leadership by the governing body towards the achievement of the following governance outcomes:

- Ethical culture
- Good performance
- Effective control
- Legitimacy"

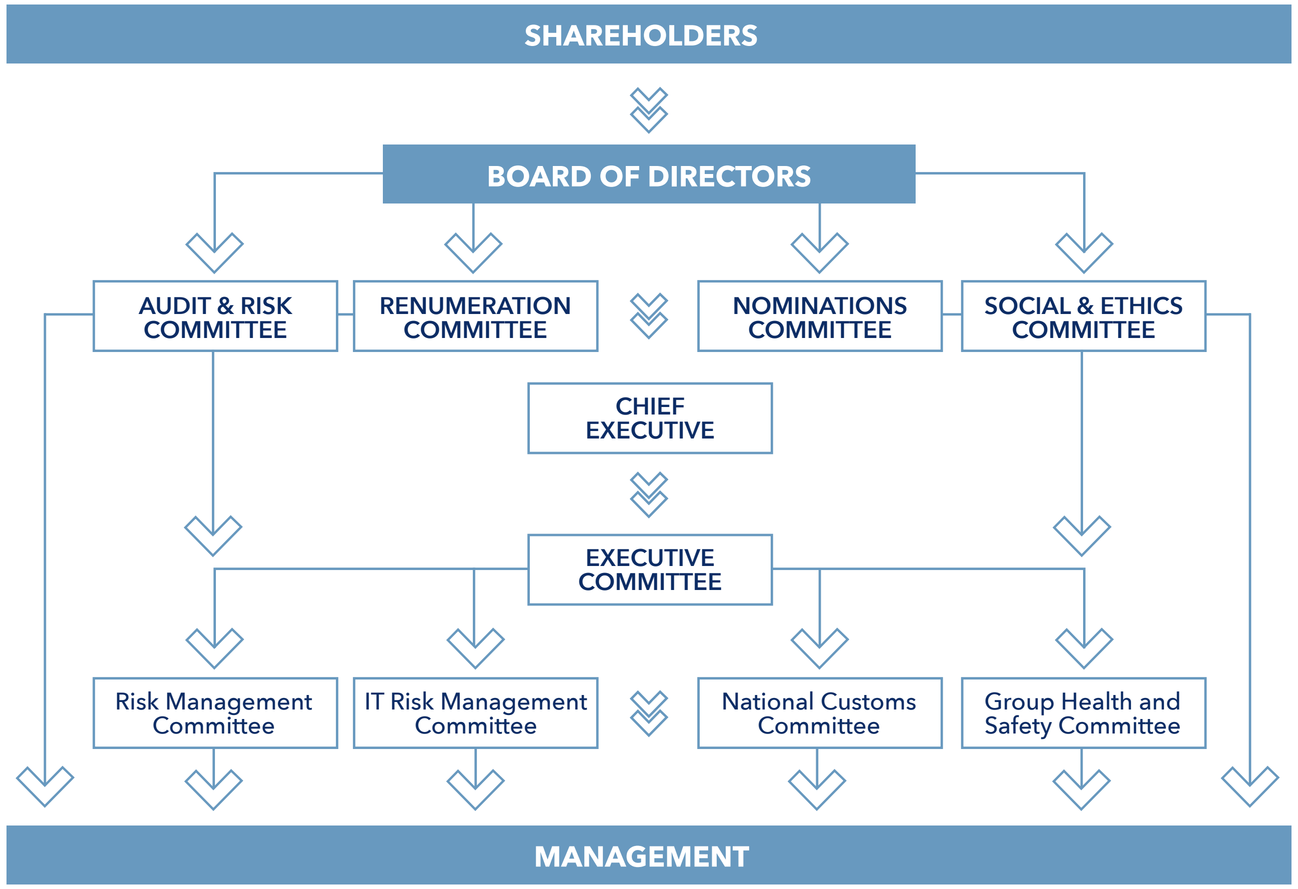
The growth in the performance of the Group as a whole in recent years, as well as the narrative set out in this Annual Integrated Report, bear witness to the effectiveness of the leadership in the organisation in achieving the outcomes listed above.

The Group is fully committed to the promotion of good corporate governance and the application of the Code of Governance Principles set out in the various King Codes. Our governance policies and practices are informed by local and international best practice and most importantly, are underpinned by the culture and values of the Group. Every effort is 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 as the fundamentals that safeguard the Group's assets and protect value for all stakeholders, as well as our shareholders.

TRANSITION TO KING IV

As the Group's financial year end falls before 1 April 2017, the date at which of King IV comes into effect, we have not had sufficient opportunity to fully assess and attempt to implement the changes to our reporting for the 2017 financial year. Cognisance has been taken, however, of the changes in emphasis of King IV and during the current financial year the Board and its Committees will identify and analyse the impacts and ensure that, if any changes are made to the existing corporate governance and reporting framework, those changes are undertaken mindfully.

GROUP GOVERNANCE FRAMEWORK



GOVERNANCE REVIEW CONTINUED

ETHICS, RISK MANAGEMENT, COMPLIANCE AND GOVERNANCE

Ethics

The Group's vision and purpose as set out on page 03 and its culture and values as set out on page 04 of this Annual Integrated Report, form the foundation of the business and set the moral and ethical tone of the Group. There is an ongoing drive to ensure that each member of the global Group commits to the vision and purpose of the Group and also embraces and lives the Group culture and values. With this in view, annual strategy meetings are held in South Africa, which are attended by the business unit leaders from all the Group's local and foreign operating subsidiaries, to strengthen relationships and communication within the Group. These meetings focus on operational co-operation between Group entities and the development of strategies to build on the synergies between them.

Risk Management

A full commentary on how risk is managed in the Group may be found on pages 12 to 15. Commentary specific to IT Risk appears below.

Compliance

The Board receives assurance on the Group's compliance with applicable legislation, regulations, codes and standards via reports from the Chairmen of Board Committees and compliance is a regular item on the agenda of each of these Board Committee meetings. A full legal and risk report is presented by the Group Legal Advisor at each Audit and Risk Committee meeting.

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 report on corporate governance for South Africa ("King III") and complied with the Listings Requirements of the JSE Limited and all other applicable legislation.

Application of King III

The Board is responsible for the holistic application of the principles contained in King III. In February, 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. A summary of the assessment results can be found below. In an early assessment on the partially updated GAI for King IV, the Group retained the AAA score. In doing so, the Group has addressed a number of previously identified areas for improvement. The report from the GAI in each category and a King III Compliance report are available in the Corporate Governance section of the Group's website at www.santova.com. Where the principles of King III have not been applied, reasons for non-compliance have been given.

SUMMARY GOVERNANCE RESULT - OVERALL (CURRENT REVIEW)

Santova Limited
Registration Number: 1998/018118/06

The assessment criteria of the web-based tool, the Governance assessment Instrument (GAI), have been based on the practice recommendations of the King III report. These criteria are intended to assess quantative governance. Full disclaimer at www.theglobalplatform.co.za

AAA - Highest application
AA - High application
BB - Notable application
B - Moderate application
C - Application to be improved
L - Low application

OVERALL SCORE

AAA

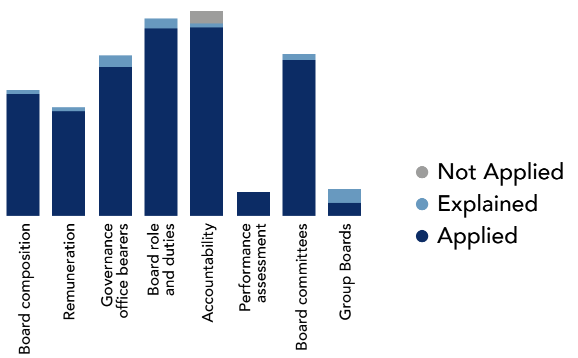
COMPLETENESS METER

100%

APPLICATION METER

Status Category	Score
Board composition	AAA
Remuneration	AAA
Governance office bearers	AAA
Board role and duties	AA
Accountability	AAA
Performance assessment	AA
Board committees	AAA
Group Boards	C

WEIGHTING GRAPHIC



IT Governance

The Group's IT strategy is fully aligned to the Group's business strategy. As a non-asset based supply chain consulting business the IT strategy follows a cloud-based outsourced model so as to minimise IT risks and to gain the benefit of appropriate external expertise. The Group IT Risk Management Committee has the day-to-day responsibility for overseeing the implementation of IT strategy and governance in all regions worldwide. One of the key IT challenges that the Group will be faced with in future will be the risk of disruptive technology in the industry and commoditisation of services, signs of which are already appearing.

Whistle Blowing

During the year the Board reviewed and re-affirmed its Whistle Blowing Policy. A Whistle Blowing inbox has been established, details of which may be found on the Group's website and on the footer of every email emanating from the Group. All emails sent to this inbox are received by the Board Chairman and the Company Secretary.

THE BOARD OF DIRECTORS

The Board is the custodian of corporate governance within the Group and its 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 deliberations of the Board are guided by a Board Charter and supported by a Delegation of Authority, both of which are reviewed annually. The Delegation of Authority sets out the delegation of matters by the Board to its committees and the Group Executive Committee. A number of governance policies provide context for execution in terms of the Delegation of Authority. The Charter is available on the Group's website at www.santova.com.

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 Group, determining investment and performance criteria and taking ultimate responsibility for the proper management and ethical behavior 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; and
- 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.

Composition			1	2	3	4	5
Non-Executive	4	57%					
Executive	3	43%					
HSDA Directors	1	14%					
Age							
> 60 years	3						
50 - 60 years	2						
40 - 50 years	2						
Tenure							
8 - 14 years	1						
4 - 8 years	4						
1 - 4 years	2						

COMPOSITION AND APPOINTMENTS

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 29 and 30 of this Annual Integrated Report under the heading "Who Governs Us".

The Group has a unitary Board of seven directors comprised of majority 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. The Board has adopted a Division of Responsibilities Policy that ensures a clear division of responsibilities exists at Board level so that there is 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 Nominations Committee when required.

In terms of the Group's Memorandum of Incorporation, one third of the non-executive directors retire by rotation annually, and if eligible and available, they are considered for re-appointment 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.

DIVERSITY POLICY

The Board adopted a formal policy for Diversity during the current financial year to promote Diversity at Board level and within the Group subsidiaries. In terms of this policy the Board recognised the benefits of a truly diverse Board and as a result the policy addresses diversity across the following areas: skills, gender, regional and industry experience, background, race, and other distinctions. As part of this process, voluntary targets were proposed and the Board has tasked the Nomination Committee to plan and prepare for the phased implementation of these targets and to report back to the Board in the coming financial period.

GOVERNANCE REVIEW CONTINUED

BOARD AND COMMITTEE EVALUATION

An evaluation of the performance of the Board, its members and its Committees is undertaken every second year 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.

An internal evaluation of the performance of the Board, committees and directors was conducted at the end of the 2016 financial year. The evaluation focused on three topics: contribution to the Board, effectiveness of the Board and barriers to greater effectiveness of the Board.

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 and are recorded in the minutes. 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.

The Board has adopted formal policies governing the dissemination of price-sensitive information to third parties and for dealing in the Group'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 Group during a restricted period.

BOARD COMMITTEES

The Board Committees have clear terms of references 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 Chief Executive Officer is a permanent invitee to all Committee meetings and the Group Financial Director attends Audit and Risk Committee meetings. The Group Secretary is the secretary of all the Board committees.

A table setting out membership of the Board and its Committees and attendance at meetings during the year is set out below:

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

		Board	Audit & Risk	Nom.	Rem	Social & Ethics
Independent non-executive directors						
ESC Garner	Board/Nominations Committee Chair	4/4	4/4	1/1	2/2	2/2
AD Dixon	Remuneration/Social & Ethics Committee Chair	4/4	4/4	1/1	2/2	2/2
WA Lombard	Audit and Risk Committee Chair	4/4	4/4	1/1	2/2	2/2
EM Ngubo		4/4	-	-	-	1/2
Executive directors						
GH Gerber	Group Chief Executive Officer	4/4	4/4	1/1	2/2	2/2
DC Edley	Group Financial Director	4/4	4/4	-	-	-
AL van Zyl		4/4	-	-	-	-
Prescribed officer						
AKG Lewis	Group Legal Advisor	-	-	-	-	2/2

AUDIT AND RISK COMMITTEE

A full Audit and Risk Committee Report may be found on page 03 of the Audited Financial Statements and on the Group's website at www.santova.com.

NOMINATIONS COMMITTEE

The Committee held one meeting during the year under review, which all three members attended. During the year the Committee:

- Approved an updated Charter and an Annual Work Plan;
- Approved a succession plan for executive directors and senior positions in the Group;
- Confirmed the independence of the non-executive directors through a documented assessment;
- Conducted and reviewed an evaluation process of the Board and Board Committees;
- Established the percentage increase for non-executive directors' fees for 2017/2018;
- Proposed the Gender Diversity target; and
- Approved the adoption of a Directors' Code of Conduct.

REMUNERATION COMMITTEE

The Committee held two meetings during the year under review and all three members attended each meeting. During the year the Committee:

- Approved an updated Charter and an Annual Work Plan;
- Set the overall parameters for salary increases and bonuses;
- Approved the remuneration of senior executives and determined the remuneration of executive directors; and
- Approved additional bonus share awards to senior employees in the Group's subsidiaries for exceptional performance.

The Group has an extremely active and efficient Group Human Resources team who, together with the Business Unit Leaders, look after the issues of human resource management in terms of social transformation, moral and social responsibility.

The Group has active training programmes to enhance the skills of all its employees internationally and train them in the Group's business. For more detail on the Group's HR practices and procedures please refer to the Social and Environment Report, which is available on the Group's website at www.santova.com.

The remuneration philosophy and practices are enunciated in the Group's Remuneration Policy contained under the heading "How We Remunerate" on pages 36 to 40 of this report.

SOCIAL AND ETHICS COMMITTEE

The Group Legal Adviser has compiled a detailed compliance register for the Social and Ethics Committee based on a detailed analysis of each of the matters listed in Regulation 43(5)(b) of the Companies Regulations, 2011 and in the year ahead the Committee will interrogate each of the items and assess the Group's level of compliance in relation thereto. The full Report of the Social and Ethics Committee may be found on page 06 of the Audited Financial Statements and on the Group's website at www.santova.com.

GROUP SECRETARY

Brief biographical details of the Group Secretary are set out on page 30 of this Annual Integrated Report. The independence, effectiveness, qualifications and experience of the Group Secretary are reviewed annually by the Board and the Board has satisfied itself that the Group Secretary is independent and competent and has the necessary qualifications and experience required to fulfill the role and the responsibilities placed upon a Group Secretary by the Companies Act, the JSE Listings Requirements and King III.

JSE SPONSOR

River Group has been sponsor to the Group since it listed in 2002 and is consulted on a regular basis on matters concerning the JSE Listings Requirements. A representative of the sponsor attends at least one Board meeting in each year.

HOW WE REMUNERATE

This report focuses primarily on how we remunerate and reward. The Governance Review on pages 31 to 35 contains details of the composition, meetings and mandate of the Committee.

GENERAL REMUNERATION POLICY

In following the strategy of an international, non-asset based, outsourced provider of Supply Chain Solutions, the Group's human capital has been identified as one of the four primary capital inputs into its value creating processes. Hence it is important that our reward strategies and remuneration structures are designed to attract, motivate and retain high-caliber people at all levels within the Group, whilst fostering a culture of performance, thereby entrenching Santova as a leading employment brand within the logistics industry.

Consideration is given to total reward and on achieving an appropriate balance between fixed and variable remuneration and short and long term incentives for all employees, depending on seniority and roles.

POLICY ON EXECUTIVE DIRECTORS' REMUNERATION

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

The guaranteed remuneration component paid to executive directors is based on industry benchmarks and targeted just below the median of the market for comparable sized organisations. The Group maintains its discretion to pay a premium to the median for the attraction and retention of the directors.

NON-BINDING ADVISORY VOTE

More than 99% of shareholders present in person or by proxy at the 2016 Annual General Meeting voted in favour of the non-binding advisory endorsement of the remuneration policies tabled in the 2016 Annual Integrated Report.

NON-EXECUTIVE DIRECTORS' CONTRACTS AND REMUNERATION

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 Group'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 26 July 2016.

Details of the remuneration paid to each non-executive director for the past financial year may be found in the table below:

NON-EXECUTIVE DIRECTORS' FEES

	2017 Directors' fees R'000	2016 Directors' fees R'000
AD Dixon	**173**	148
ESC Garner	**395**	349
WA Lombard	**311**	204
EM Ngubo	**106**	73
	985	774

"The Group seeks to achieve a balance between guaranteed remuneration and short and long term variable incentives, which are directly linked to financial performance and long term value creation for shareholders."

The Nominations Committee recently undertook an assessment of market related non-executive directors fees and have identified that the fees of the Chairman and the non-executive directors are at present below the median of fees paid to directors of similar sized companies compared to industry benchmarks. In order to attract new suitably qualified and experienced directors onto the Board in future, the level of fees will need to be brought closer to those benchmarks.

At the Annual General Meeting to be held on 24 July 2017, 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 45.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

Each executive director is bound by a formal contract of employment. 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 Chief Executive Officer conducts an annual review of the performance of all senior executives based on established Key Performance Indicators ("KPIs") for each individual.

In February 2016 the Remunerations Committee established a new basis on which to determine KPIs for the Chief Executive Officer, as a means to both evaluating his performance and determining his salary package for the ensuing year.

The Group seeks to achieve a balance between guaranteed remuneration and short and long term variable incentives, which are directly linked to financial performance and long term value creation for shareholders. As part of this philosophy, the Group aims to ensure that a larger proportion of remuneration for senior management is linked to short and long term performance based targets. Due to the infancy of the Group's two long term share option schemes, this will be a process phased in over the coming financial periods. However, it can be seen from the table below that significant strides have been made during the past financial year to achieve a more appropriate balance.

REMUNERATION MIX

Total for all Executive Directors and Prescribed Officer

Achieved	Guaranteed Pay %	Short Term Incentives %	Long Term Incentives %	Total
2017	**48**	**42**	**10**	**100**
2016	72	28	-	100

GUARANTEED REMUNERATION

Executive directors' fixed remuneration components, which are quantified on a total cost to Group basis ("TCC"), are reviewed annually in March of each year by the Remuneration 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, role specific KPIs experience, responsibility and Group performance.

The philosophy behind these annual reviews is to award percentage increases that are typically linked to current and historic 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 Group 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.

GUARANTEED PAY

2016/17	Guaranteed Pay Increase %
Chief Executive Officer	10.0
Key Senior Executives	6.9

HOW WE REMUNERATE CONTINUED

SHORT-TERM INCENTIVES

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 financial and operational performance of the specific division or function for which the director is responsible;
- The extent to which the director shows commitment to the implementation of the Group's key ongoing strategic initiatives;
- The individual director's personal performance against role specific KPIs; and
- The extent to which the director lives the Group's cultures and values, demonstrating the highest levels of corporate governance and ethical behaviour.

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 Group.

A breakdown of the annual remuneration (excluding equity awards) of directors and the prescribed officer for the years ended 28 February 2017 and 29 February 2016 can be found in the following table:

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICER'S REMUNERATION

	Basic remuneration R'000	Retirement medical and other benefits R'000	Total Guaranteed Pay R'000	Performance bonus R'000	Share based payments R'000	Total Remuneration R'000
2017						
Executive directors						
DC Edley	1 575	271	**1 846**	1 411	-	**3 257**
GH Gerber	2 937	68	**3 005**	3 176	-	**6 181**
AL van Zyl	1 965	85	**2 050**	1 559	1 718	**5 327**
Prescribed officer						
AKG Lewis	1 123	142	**1 265**	930	-	**2 195**
	7 600	**566**	**8 166**	**7 076**	1 718	**16 960**
2016						
Executive directors						
DC Edley	1 472	270	**1 742**	625	-	**2 367**
GH Gerber	2 669	63	**2 732**	1 183	-	**3 915**
AL van Zyl	1 856	78	**1 934**	714	-	**2 648**
Prescribed officer						
AKG Lewis	1 021	129	**1 150**	400	-	**1 550**
	7 018	**540**	**7 558**	**2 922**	-	**10 480**

LONG TERM INCENTIVES

Group Share Option Schemes

The Group operates the two Santova Share Option Schemes as a means of providing long term incentives and retaining senior management and executive directors. In terms of the Schemes the Group can grant share options to qualifying employees to acquire shares in the Group, subject to a maximum allocation per scheme of 2 685 500 per employee and vesting periods of 3 and 5 years. The rules of each Scheme are set down in documents that have been approved by the JSE and filed with the Companies and Intellectual Property Commission. The Group Secretary has been appointed the Compliance Officer of the Schemes and the Remuneration Committee governs the Schemes on an ongoing basis. Non-executive directors are not entitled to participate in either of the Schemes. No new options were granted in terms of either Scheme during the financial year under review.

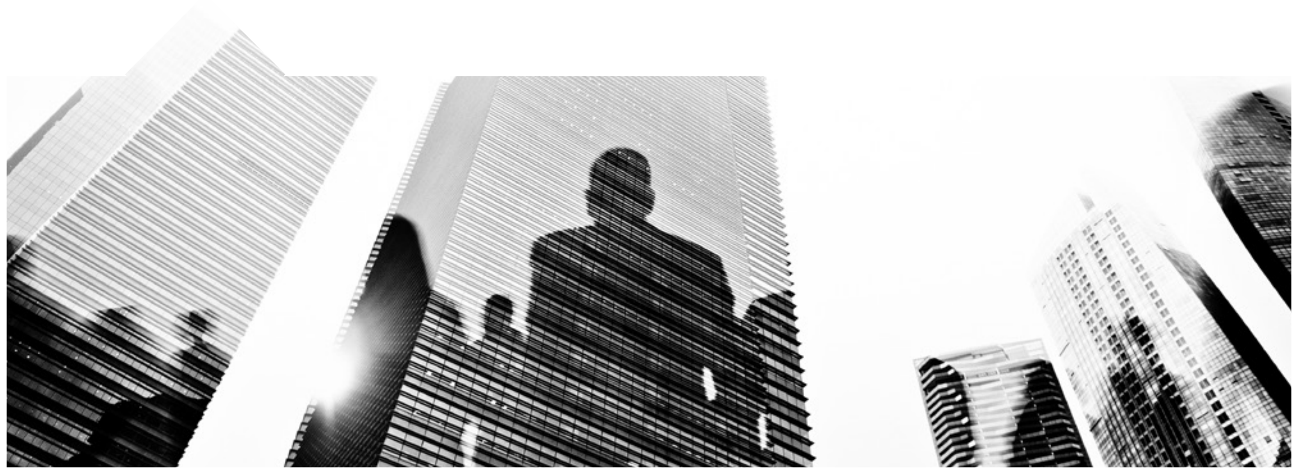
During November 2015 the first tranche of options awarded in terms of Santova Share Option Scheme No. 1 become available to be exercised and in the financial year under review the first of such options were exercised by three members of the Scheme who exercised all of their shares. The second tranche of options awarded in terms of Santova Share Option Scheme No. 1 will become available to be exercised in May of the current financial year.

A summary of options granted, forfeited, exercised and still to be exercised by executive directors and the prescribed officer are set out below and on the next pages:

	Options as at 1 March 2016	Options awarded	Options lapsed	Options excercised	Options as at 28 February 2017	Option price (cents)	Vesting date
2017							
Executive directors							
DC Edley	450 000	-	-	-	450 000	85	30 November 2015
	350 000	-	-	-	350 000	186	26 May 2017
	168 649	-	-	-	168 649	415	21 February 2019
	131 351	-	-	-	131 351	415	21 February 2021
	1 100 000	**-**	**-**	**-**	**1 100 000**		
GH Gerber	800 000	-	-	-	800 000	85	30 November 2015
	500 000	-	-	-	500 000	186	26 May 2017
	562 165	-	-	-	562 165	415	21 February 2019
	437 835	-	-	-	437 835	415	21 February 2021
	2 300 000	**-**	**-**	**-**	**2 300 000**		
AL van Zyl	500 000	-	-	500 000	-	85	30 November 2015
	350 000	-	-	-	350 000	186	26 May 2017
	168 649	-	-	-	168 649	415	21 February 2019
	131 351	-	-	-	131 351	415	21 February 2021
	1 150 000	**-**	**-**	**500 000**	**650 000**		
Prescribed officers							
AKG Lewis	199 000	-	-	-	199 000	85	30 November 2015
	150 000	-	-	-	150 000	186	26 May 2017
	253 537	-	-	-	253 537	415	21 February 2019
	197 463	-	-	-	197 463	415	21 February 2021
	800 000	-	-	-	**800 000**		
	5 350 000	**-**	**-**	**500 000**	**4 850 000**		

HOW WE REMUNERATE CONTINUED

	Options as at 1 March 2015	Options awarded	Options lapsed	Options excercised	Options as at 29 February 2016	Option price (cents)	Vesting date
2016							
Executive directors							
DC Edley	450 000	-	-	-	450 000	85	30 November 2015
	350 000	-	-	-	350 000	186	26 May 2017
	-	168 649	-	-	168 649	415	21 February 2019
	-	131 351	-	-	131 351	415	21 February 2021
	800 000	**300 000**	**-**	**-**	**1 100 000**		
GH Gerber	800 000	-	-	-	800 000	85	30 November 2015
	500 000	-	-	-	500 000	186	26 May 2017
	-	562 165	-	-	562 165	415	21 February 2019
	-	437 835	-	-	437 835	415	21 February 2021
	1 300 000	**1 000 000**	**-**	**-**	**2 300 000**		
AL van Zyl	500 000	-	-	-	500 000	85	30 November 2015
	350 000	-	-	-	350 000	186	26 May 2017
	-	168 649	-	-	168 649	415	21 February 2019
	-	131 351	-	-	131 351	415	21 February 2021
	850 000	**300 000**	**-**	**-**	**1 150 000**		
Prescribed officers							
AKG Lewis	199 000	-	-	-	199 000	85	30 November 2015
	150 000	-	-	-	150 000	186	26 May 2017
	-	253 537	-	-	253 537	415	21 February 2019
	-	197 463	-	-	197 463	415	21 February 2021
	349 000	**451 000**	**-**	**-**	**800 000**		
	3 299 000	**2 051 000**	**-**	**-**	**5 350 000**		



SHAREHOLDER ANALYSIS

	Number of Share Holders	%	Number of Shares	%
SHAREHOLDER SPREAD				
1 - 1 000 shares	1 285	28,47	523 316	0,33
1 001 - 10 000 shares	2 106	46,65	9 329 744	5,90
10 001 - 100 000 shares	972	21,53	30 984 926	19,58
100 001 - 1 000 000 shares	130	2,88	33 704 973	21,30
1 000 001 shares and over	21	0,47	83 704 537	52,89
Totals	**4 514**	**100,00**	**158 247 496**	**100,00**
DISTRIBUTION OF SHAREHOLDERS				
Banks/Brokers	12	0,27	13 135 043	8,30
Close Corporations	51	1,13	1 815 561	1,15
Endowment Funds	5	0,11	798 818	0,50
Individuals	4 096	90,74	76 665 334	48,45
Insurance Companies	3	0,07	792 552	0,50
Investment Companies	11	0,24	11 682 791	7,38
Mutual Funds	11	0,24	16 142 454	10,20
Other Corporations	42	0,93	476 771	0,30
Own Holdings	1	0,02	5 751 932	3,63
Private Companies	91	2,02	12 868 996	8,13
Private Company	2	0,04	220 000	0,14
Public Company	1	0,02	200 000	0,13
Retirement Funds	4	0,09	157 325	0,10
Trusts	184	4,08	17 539 919	11,08
Totals	**4 514**	**100,00**	**158 247 496**	**100,00**
PUBLIC / NON - PUBLIC SHAREHOLDERS				
Non - Public Shareholders	**15**	**0,33**	**31 147 458**	**19,68**
Directors of the company	14	0,31	30 660 343	19,37
Treasury Stock *	1	0,02	487 115	0,31
Public Shareholders	**4 499**	**99,67**	**127 100 038**	**80,32**
Totals	**4 514**	**100,00**	**158 247 496**	**100,00**
BENEFICIAL SHAREHOLDERS HOLDING 5% OR MORE				
van Zyl, AL			18 202 715	11,50
Westbrooke Capital Management Special Opportunities Fund			9 348 090	5,91
Totals			**27 550 805**	**17,41**

SHAREHOLDER ANALYSIS CONTINUED

	2017 Number of Shares	%	2016 Number of Shares	%
DIRECTORS				
van Zyl, AL	**18 202 715**	**11,50**	18 202 715	11,55
Gerber, GH	**2 588 829**	**1,64**	2 588 829	1,64
Lloyd Investment Trust	2 501 329	1,58	2 501 329	1,59
Gerber, GH	87 500	0,06	87 500	0,06
Garner, ESC	**500 227**	**0,32**	500 227	0,32
Delmas Crushers cc	360 227	0,23	360 227	0,23
Sanlam Life Insurance Ltd	140 000	0,09	140 000	0,09
Dixon, AD	**340 000**	**0,21**	340 000	0,22
Edley, DC	**174 700**	**0,11**	170 000	0,11
Integrated Technologies (Pty) Ltd	174 700	0,11	170 000	0,11
Lombard, WA	**100 000**	**0,06**	73 000	0,05
Totals	**21 906 471**	**13,84**	21 874 771	13,88
SUBSIDIARY DIRECTORS				
Singh, R	**3 050 000**	**1,93**	3 050 000	1,94
Rajin Singh Family Trust	3 000 000	1,90	3 000 000	1,90
Singh, R	50 000	0,03	50 000	0,03
Sexton, DA	**2 911 275**	**1,84**	2 911 275	1,85
Heald, JE	**1 982 145**	**1,25**	1 982 145	1,26
Crews, GH	**257 300**	**0,16**	257 300	0,16
Tolond, M	**371 652**	**0,23**	371 652	0,24
Boelens, VP	**176 500**	**0,11**	176 500	0,11
Notelovitz, L	**81 833**	**0,05**	72 333	0,05
Lewis, AKG	**5 000**	**0,00**	5 000	0,00
Totals	**8 835 705**	**5,58**	8 826 205	5,60
TREASURY STOCK (OWN HOLDINGS)				
Santova Financial Services (Pty) Ltd	**487 115**	**0,31**	310 845	0,20
Totals	**487 115**	**0,31**	310 845	0,20

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.

SHARE PERFORMANCE

ANALYSIS OF TRADES

Year	Month	High Sale	Low Sale	Number of Deals	Volume	Value
2016	March	424	386	633	1 939 703	7 911 148
2016	April	438	391	758	3 575 753	14 706 853
2016	May	416	382	836	2 922 154	11 827 551
2016	June	420	370	865	3 019 641	12 195 092
2016	July	405	361	691	2 579 852	10 008 252
2016	August	609	380	918	2 169 859	8 801 130
2016	September	415	355	403	1 794 789	7 113 259
2016	October	399	365	424	1 964 191	7 525 290
2016	November	389	322	801	3 736 848	13 096 077
2016	December	359	301	488	1 686 567	5 796 887
2017	January	355	330	634	2 455 493	8 494 876
2017	February	356	330	434	1 709 831	5 820 485

MARKET DATA

		2017	2016
Traded price			
Close	cents per share	**345**	402
High	cents per share	**609**	480
Low	cents per share	**301**	13
Market capitalisation	rand	**545 953 861**	633 541 934
Value of shares traded	rand	**113 296 900**	143 966 150
Value traded as % of market capitalisation	percentage	**20,75**	22,72
Volume of shares traded	number of shares	**29 554 681**	40 990 786
Volume traded as % market capitalisation	percentage	**18,68**	26,01
PE ratio	multiple	**8,65**	11,65
Dividend per share	cents per share	**6,25**	5,50
Dividend yield	percentage	**1,81**	1,37
Basic earnings per share	cents per share	**39,87**	34,50
Earnings yield	percentage	**11,56**	8,58
Net asset value per share	cents per share	**2,31**	2,45
Period-end market price/NAV	ratio	**149,34**	163,95
Shares issued	number of shares	**158 247 496**	157 597 496
Number of shareholders	number	**4 514**	3 735
Treasury shares held	number of shares	**487 115**	310 845
Shares in issue net of treasury shares (millions)	number of shares	**157 760 381**	157 286 651
Share issued during the year	number of shares	**650 000**	21 138 088
Capital and reserves	rand	**365 565 922**	386 415 434

SHAREHOLDERS' CALENDAR

ACTIVITY	DATE
Financial year end	28 February 2017
Release of preliminary Group audited results on SENS	17 May 2017
Investor presentation in Johannesburg	17 May 2017
Finalisation announcement confirming ratio of entitlement and price of shares for capitalisation issue share award on SENS	17 May 2017
Publication of Group results in the Press	18 May 2017
Investor presentation in Cape Town	19 May 2017
Dispatch of 2017 Annual Integrated Report - on or about	31 May 2017
Publication of 2017 Annual Financial Statements on the Group website	31 May 2017
Publication of 2017 corporate governance material on the Group website	31 May 2017
Publication of 2017 Social and Environment report on the Group website	31 May 2017
2017 Annual General Meeting	24 July 2017
Release of interim statements for the six months ending 31 August 2017	October 2017

CASH DIVIDEND WITH A CAPITALISATION ISSUE SHARE AWARD ALTERNATIVE

Record date in order to receive the dividend election circular	12 May 2017
Circular and form of election posted to shareholders	25 May 2017
Last day to trade in order to be eligible for cash dividend/capitalisation issue share award	27 June 2017
Shares trade ex-entitlement	28 June 2017
Provisional listing of maximum number of shares for the capitalisation issue share award at commencement of trade on the JSE Limited	28 June 2017
Last day to elect to receive capitalisation issue share aware by 12:00	30 June 2017

RECORD DATE	30 June 2017
Payment or issue date	3 July 2017
Announcement of the results of the cash dividend/capitalisation issue share award on SENS	3 July 2017
Adjustment of number of new shares listed on or about	5 July 2017

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN to shareholders as recorded in the Company's securities register on Friday, 14 July 2017 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 Monday, 24 July 2017 at 16:30 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, No. 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 2017 (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 DIRECTORS DUE TO ROTATION

1.1. ESC Garner

"That ESC Garner, 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 re-appointed as a director of the Company with immediate effect."

1.2. EM Ngubo

"That EM Ngubo, 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 re-appointed as a director of the Company with immediate effect."

Explanatory note to ordinary resolution number 1.1 and 1.2

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 ESC Garner and EM Ngubo for re-election has been assessed by the Nominations Committee. The Board has accepted the assessment and recommends that ESC Garner and EM Ngubo, who have offered themselves for re-election, be re-elected by separate resolutions. Brief profiles of ESC Garner and EM Ngubo can be found on page 29 of this Annual Integrated Report.

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

"That the shareholders re-elect, each by way of a separate resolution, 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:

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

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 pages 29 of this Annual Integrated Report.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

3. ORDINARY RESOLUTION NUMBER 3 – RE-APPOINTMENT OF DELOITTE & TOUCHE AS INDEPENDENT AUDITORS AND THE APPOINTMENT OF K SINGH 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 K Singh as the registered partner, to hold office until the conclusion of the next Annual General Meeting of the Company, be and are hereby approved."

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 36 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 any placement of the unissued ordinary shares under the control of the directors.

The percentage of voting rights required for ordinary resoluton number 6 and special resolution numbers 1 to 4 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 23 737 124 ordinary shares; and/or
- Sell or otherwise dispose of, or transfer, or issue any share or 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 referred to 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, shall be achieved by 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. 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 2018, the fees payable to the independent and non-executive directors of the Company for their services as directors be approved as follows:"

BOARD / COMMITTEE	Proposed
Board of Directors	
Chairman	R480 000[1]
Non-executive directors	R16 000[2]
Audit and Risk Committee	
Chairman	R29 000[2]
Member	R13 000[2]
Remuneration and Nominations Committee	
Chairman	R18 000[2]
Member	R10 000[2]
Social and Ethics Committee	
Chairman	R18 000[2]
Member	R10 000[2]

[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.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

8. 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.

9. 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 in the ordinary course of business, 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. This special resolution does not authorise the provision of financial assistance to a director and/or prescribed officer of the company.

10. 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 counter-party;
- 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 2016 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.

NOTICE OF ANNUAL GENERAL MEETING CONTINUED

11. ORDINARY RESOLUTION NUMBER 7 – 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 6 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.

Forms of proxy and/or letters of representation may be presented at the meeting, but to enable the Company to ensure prior to the meeting that a quorum will be present at the meeting, it would be helpful if proxy forms and/or letters of representation could be delivered to the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 (PO Box 6148, Durban, 4000) as early as possible prior to the meeting, or to the offices of the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196 (PO Box 61763, Rosebank, 2107) 48 hours prior to the meeting. Attention is also drawn to the "Notes to the Form of Proxy" which appear on the reverse of the form.

RECORD DATES

Shareholders are reminded to take note of the following dates:

- The last day to trade in order to be eligible to vote at the Annual General Meeting will be Tuesday, 12 July 2017.
- The record date in order to be eligible to vote at the Annual General Meeting will be Friday, 14 July 2017.

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 + 2731 765 4989.

By order of the board

J A Lupton, FCIS
Company Secretary

17 May 2017

Registered Office:
Santova House
88 Mahatma Gandhi Road
Durban
4001

FORM OF PROXY

Santova

SANTOVA LIMITED

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

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 Monday, 24 July 2017 at 16:30 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 Note 2 of the Notes to the Form of Proxy below.

		For	Against	Abstain
1.	Ordinary resolution number 1.1 – Re-election of ESC Garner retiring as a director by rotation.			
2.	Ordinary resolution number 1.2 – Re-election of EM Ngubo retiring as a director by rotation.			
3.	Ordinary resolution number 2.1 – Re-election of WA Lombard as a member of the Audit and Risk Committee.			
4.	Ordinary resolution number 2.2 – Re-election of AD Dixon as a member of the Audit and Risk Committee			
5.	Ordinary resolution number 2.3 – Re-election of ESC Garner as a member of the Audit and Risk Committee			
6.	Ordinary resolution number 3 – Re-election of Deloitte & Touche as independent auditors and K Singh as registered audit partner.			
7.	Ordinary resolution number 4 – Non-binding advisory endorsement on the Company's remuneration policy.			
8.	Ordinary resolution number 5 – Shares to be placed under control of the directors.			
9.	Ordinary resolution number 6 – General authority to issue shares for cash			
10.	Special resolution number 1 – Approval of non-executive directors' remuneration.			
11.	Special resolution number 2 – General authority to provide financial assistance in terms of Section 44.			
12.	Special resolution number 3 – General authority to provide financial assistance in terms of Section 45.			
13.	Special resolution number 4 – General authority to buy back own shares.			
14.	Ordinary resolution number 7 – 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 2017

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 and/or letters of representation may be presented at the meeting, but to enable the Company to ensure prior to the meeting that a quorum will be present at the meeting, it would be helpful if proxy forms and/or letters of representation could be delivered to the Company's registered office, Santova House, 88 Mahatma Gandhi Road, Durban, 4001 (PO Box 6148, Durban, 4000) as early as possible prior to the meeting, or to the offices of the transfer secretaries, Computershare Investor Services (Pty) Ltd, Rosebank Towers, 15 Bierman Avenue, Rosebank, 2196, (PO Box 61763, Rosebank, 2107) 48 hours prior to the meeting.
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 16:30 on Monday, 24 July 2017 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 or the transfer secretaries' address, both detailed in point 3 above.

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
PO Box 243, Durban, 4000

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

LEGAL ATTORNEY
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

CORPORATE BANKERS
Nedbank Limited
PO Box 1144, Sandown, 2196

A Specialist Provider of Innovative Global Trade Solutions.

- Santova' s diversification in terms of geographies, currencies, industries, products and services enables it to manage a global network of interconnected activities for multinational organisations from origin to point-of-consumption.
- This diversification also enables it to hedge against unexpected 'regional risks' whilst at the same time allowing it to capitalise on opportunities that may present themselves globally.

Santova House
88 Mahatma Gandhi Road
Durban, 4001

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www.santova.com