

SNV | 2019

Annual Integrated Report



INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES



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The Santova 2019 Annual Integrated Report is supplemented by and should be read in conjunction with the following information which is available online:

FINANCIAL

- › 2019 Annual Financial Statements, including:
 - Audit and Risk Committee Report
 - Social and Ethics Committee Report
- › 2019 Preliminary Audited Results
- › 2019 Investor Presentation

GOVERNANCE

- › King IV Governance Register and supporting Reports

SOCIAL AND ENVIRONMENTAL

- › 2019 Social and Environment Report

These are available at www.santova.com

Our Approach to Reporting

Santova Limited has pleasure in presenting its 2019 Annual Integrated Report, which covers the performance of the Group and its subsidiaries for the year ended 28 February 2019. 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 make informed assessments of the Group's performance and the Group's ability to create long term, sustainable value. This report has been prepared primarily for current and potential shareholders who are the providers of the company's share capital and the primary risk takers within the business.

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 ("IIRC"), as well as the principles of the King IV Report on Corporate Governance for South Africa 2016, Institute of Directors Southern Africa ("King IV"), both of which we remain committed to fully 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 Moore Stephens 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 of the IIRC and the key focus of the JSE through its Proactive Monitoring Process to ensure the 'decluttering' of superfluous information in the financial statements.

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 in compiling this integrated report and the accompanying reports published on our website:

- Our Annual Financial Statements have been audited by Moore Stephens, the Group's independent external auditors;
- Our B-BBEE scorecard and disclosures have been audited by an accredited external verification entity; and
- The shareholder analysis and the share performance data contained in the shareholder information section of this integrated report have been prepared by an independent stakeholder intelligence consultant.

2019 REPORTING SUITE

This 2019 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. 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. This suite of reports provides the necessary information to enable stakeholders to make informed assessments of the Group's performance and identify with the Group's outlook in the short, medium and long term.

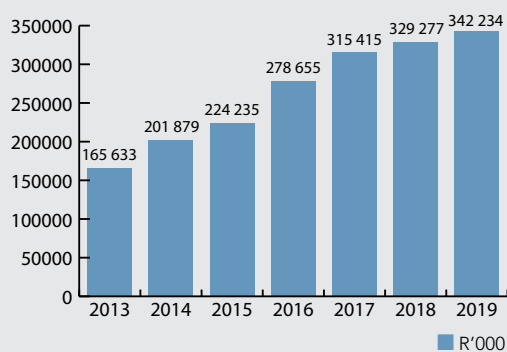
BOARD APPROVAL

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 15 May 2019.

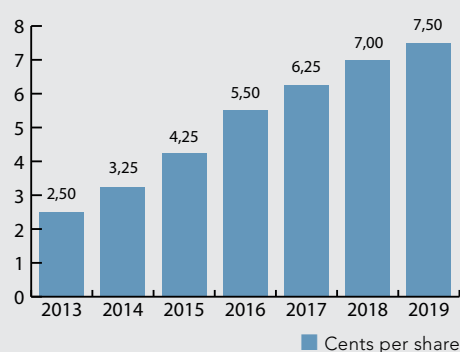
How We Performed Against Key Indicators

		2019	2018	Change
STRATEGIC INITIATIVES				
Growth				
Billings	R'000	4 220 581	4 123 540	2,4%
Revenue and net interest income	R'000	342 234	329 277	3,9%
Net profit before taxation	R'000	80 620	94 937	(15,1)%
Dividend per share	cents	7,50	7,00	7,1%
Headline earnings per share	cents	38,21	44,84	(14,8)%
Net cash generated from operating activities	R'000	20 210	67 760	(70,2)%
Total assets	R'000	1 036 977	964 376	7,5%
Capital and reserves	R'000	502 257	416 172	20,7%
Total interest bearing debt	R'000	294 499	301 697	(2,4)%
Tangible net asset value per share	cents	155	147	5,4%
Diversification				
Number of countries	number	8	7	1
Number of offices	number	20	19	1
Total staff	number	329	328	1
Profits generated offshore	%	58,3%	60,0%	(1,7)%
Innovation				
IT development and overhead expenditure	R'000	11 105	9 589	15,8%
Total employment related costs	R'000	183 033	172 494	6,1%
Operating Efficiency				
Billings to revenue margin	%	8,1%	8,0%	0,1%
Operating margin	%	25,2%	30,6%	(5,4)%
Effective tax rate	%	24,2%	24,9%	(0,7)%
Interest cover	times	15,6	17,6	(2,0)
Return on equity	%	13,3%	18,4%	(5,1)%
Debtor days	days	52,6	51,3	1,3
Debt equity ratio	%	40,8%	46,5%	(5,7)%

REVENUE AND NET INTEREST INCOME



DIVIDEND



Who We Are

The Santova Group is a specialist international trade solutions business listed on the main board of the JSE Limited. The Group operates from 20 offices in 8 countries including South Africa, Hong Kong, Australia, Germany, Singapore, 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.

Santova has 4 611 shareholders of which 12 are directors and senior management of the Group who hold 19.25% of the Company, with the balance being held by a broad cross spectrum of entities and individuals, with no single shareholder holding more than 11,36% of the Company.

WE OPERATE FROM

20 IN **8**

OFFICES **COUNTRIES**

WE HAVE

4 611

SHAREHOLDERS

STRATEGIC SERVICE OFFERINGS



Supply Chain Solutions
Supply chain optimisation through leading intellectual capital, supply chain solutions and systems.



Client Sourcing and Procurement Management Services
Access to global supplier and product sourcing and validation, reducing cost, ensuring reliability in terms of quality, quantity, time and location.



Business Intelligence
Unrivalled systems software unlocking supply chain data and enabling predictive analytics.



Express or Time-Sensitive Courier Services
International express delivery requests on-demand.

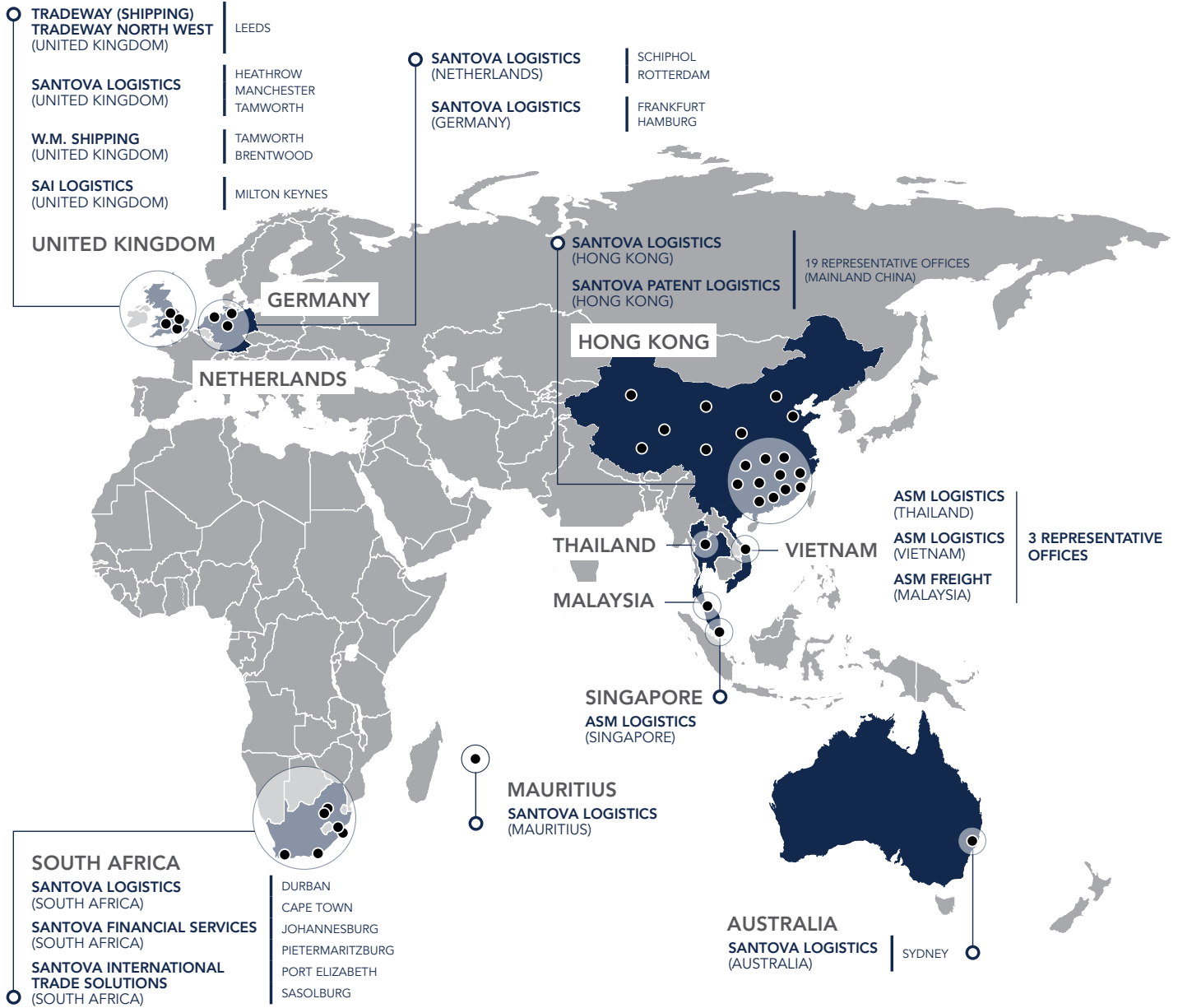


Logistics Services
Efficient and effective forward and reverse flow and storage of goods globally.



Financial Services
Short term insurance solutions from captive insurance products, profit share facilities, risk transfer and risk management programmes to self-insurance funded facilities.

Where We Operate



Our Strategy

In consideration of the Group's Vision and Purpose together 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 trade routes
- New services/products

Acquisitions

- 'Bolt-on' acquisitions
- Strategic acquisitions



INNOVATION

Technology innovation: leveraging off next generation technology.

To continually invest and further develop the Group's information technology, 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: utilising a 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.



OPERATING EFFICIENCY

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.



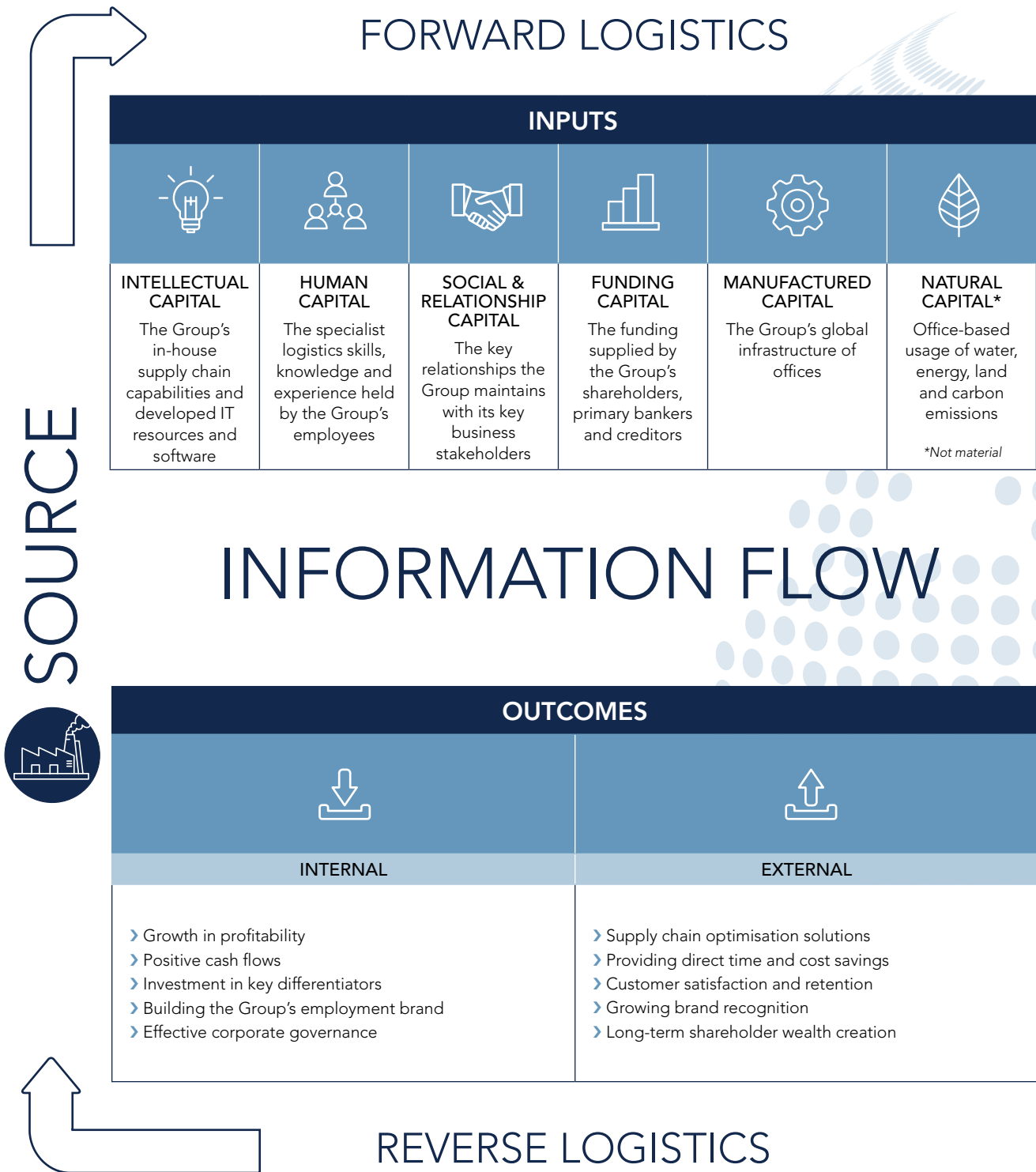
DIVERSIFICATION

Relentless diversification of the business, including:

- Geographical
- Currency
- Service/product
- Industries
- Trade routes

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.



FORWARD LOGISTICS

BUSINESS ACTIVITIES					
					
NON-ASSET BASED A non-asset based provider of international supply chain solutions	FORWARD & REVERSE LOGISTICS Co-ordinating the forward and reverse logistics of the entire supply chain	SOURCE TO DESTINATION Controlling the supply chain from source to destination	SEA, AIR, ROAD AND RAIL An agent on behalf of its clients providing sea, air, road and rail services	COST EFFECTIVE Arranging transportation, storage and delivery of goods through the most cost effective means	EXTENSIVE RELATIONSHIPS Drawing on extensive relationships and agreements with multiple 3rd parties across the globe

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 & 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

REVERSE LOGISTICS

DESTINATION



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 2019 Annual Integrated Report, 2019 Annual Financial Statements and Santova's 2019 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 clearing and forwarding agents, who don't have an international infrastructure and whose business models are traditional and don't make use of technology and modern supply chain methodologies.
- › **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.
- › **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.
- › **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 more 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 context within which the global logistics industry is operating is characterised by the following:

- › **Customer expectations are changing:** Customers expect to get shipments delivered faster, more flexibly and with a higher degree of transparency at a lower price.
- › **High degree of fragmentation:** Many participants within the logistics industry are transactional or commoditised and have low barriers to entry or exit, typified by fragmentation, low margins and high competition.
- › **Low degree of digitisation and highly manual processes:** Industry is slow to exploit technologies such as cloud-based services, predictive data analytics, blockchain, drones and 3D printing, which is gaining momentum with manufacturers.
- › **Increased competition in the form of new entrants:** New entrants to the industry are finding ways to carve out the more lucrative elements of the value chain. They are exploiting digital technology or introducing new 'sharing' business models. They are non-asset based and do not have cumbersome existing systems that weigh them down.
- › **Emergence of new business models which are redefining collaboration:** With the advent of new technology, collaboration and standardisation have become much more dynamic, resulting in increased efficiencies for many industries.

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 current economic environment and socio-political instability which is impacting growth rates, unemployment and consumer spending resulting in lower trade volumes generally.
- › The challenge in sourcing and retaining the right talent.

INTERNATIONAL LOGISTICS MARKET

- › Brexit, which has led to a significant weakening of the British Pound and general uncertainty within the United Kingdom market.
- › The impact of the Trump administration's trade policies which brought about the renegotiation of trade agreements and introduced taxes on imports which are having the unintended consequence of impacting on economic growth, resulting in a widening trade deficit in the USA.
- › Slower economic growth in China as a result of lower domestic demand and lower export orders as a result of the 'trade wars' with the USA.
- › Worsening business and consumer sentiment in the Eurozone resulting in slower economic growth which is caused by the uncertainty surrounding Brexit, the US/China trade wars, the political unrest in France and Italy, and the high levels of debt in certain EU countries.



Our Key Differentiators



GLOBAL

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



SERVICES

Competitive non-asset based international logistics products and services.



SOLUTIONS

Specialist in-house supply chain intellectual capacity.



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 fallback 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



INNOVATION

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



INTEGRITY

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



PASSION

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



TEAM SPIRIT

- › Willing participation
- › Supportive and helpful
- › Adaptable and flexible
- › Cooperative attitude

Our Key Relationships

As a non-asset based, specialised supply chain business that utilises intellectual capital to provide advice to our clients and recommends preferred suppliers to satisfy their logistical requirements, 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 stakeholders who influence the creation of value in its business model and these include our clients, suppliers, agents, employees, shareholders, banking institutions, credit underwriters, governments, regulators and IT service providers.

The four stakeholders who have the most material impact on implementing our Group strategy and how we engage with them are:

	STAKEHOLDER NUMBER	VALUE CREATED OR DISTRIBUTED	NATURE OF RELATIONSHIP	STAKEHOLDERS' NEEDS	HOW WE ENGAGE	ASSOCIATED SIX CAPITALS	RELATED SANTOVA STRATEGIC INITIATIVES
SHAREHOLDERS	4 611	R63 million	The providers of the Company's share capital and the primary financial risk takers within the business.	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.	Formal published communications via Stock Exchange announcements, annual reports, advertorials, the Group website, shareholder meetings, investor presentations and in the press.	Financial Capital	Growth, Diversification
EMPLOYEES	329	R186 million	Individuals of varying nationalities and qualifications with relevant logistics, supply chain and administrative experience, employed across the Group to service customers and provide support functions.	Career and personal development in a quality work environment within a successful and stimulating organisation, that ensures job security and appropriate reward for performance.	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.	Human Capital	Innovation
SUPPLIERS	2 365	R1 404 million	A global panel of specialised external service providers, utilised to provide warehouse or distribution facilities and to convey clients' products from source to destination via sea, air, road and rail.	An ongoing and commercially viable supply of shipping, transport and warehouse service orders from the Group on behalf of Santova's clients.	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.	Human Capital, Social and Relationship Capital	Operating Efficiency
CLIENTS	4 580	R4 250 million	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.	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.	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.	Human Capital, Intellectual Capital, Social and Relationship Capital	Innovation, Diversification, Operating Efficiency

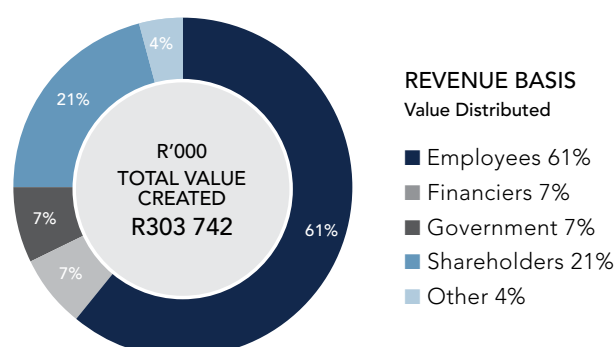
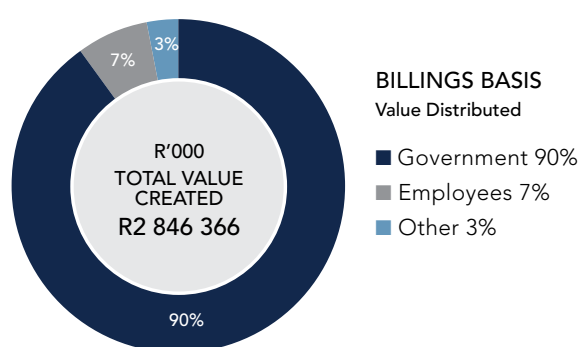
How We Create Value

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 the intellectual capacity of our staff and leading in-house developed 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 and recovered from our clients and the direct revenue earned by the Group, are created and distributed.



BILLINGS

VALUE CREATED

On the Billings Basis total value created is demonstrated by adding our direct revenue to the costs that the Group incurs and recovers as an agent on its clients' behalf. These costs are primarily customs VAT and duties and various transportation costs.

VALUE DISTRIBUTED

On the Billings 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 customs related VAT, taxes and duties.

REVENUE

VALUE CREATED

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







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

	2019			
	Billings Basis R'000	%	Revenue Basis R'000	%
Billings to Clients	4 249 980		-	
Revenue from Clients	-		370 828	
Paid to Suppliers	1 403 614		67 086	
Value Created	2 846 366		303 742	
Value Created per employee	8 652		923	
Employees	186 337	7%	186 337	61%
Governments	2 563 279	90%	20 654	7%
Financiers	22 700	1%	22 700	7%
IT Providers	11 105	0%	11 106	4%
Shareholders	62 945	2%	62 945	21%
Value Distributed	2 846 366	100%	303 742	100%
Value distributed to employees- per employee	566		566	

Six Capitals

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	<ul style="list-style-type: none"> › In-house developed Supply Chain capabilities and IT resources and software 	<ul style="list-style-type: none"> › Group employees' skills, knowledge and experience 	<ul style="list-style-type: none"> › Relationships between Group and Stakeholders 	<ul style="list-style-type: none"> › Funding supplied by Shareholders, Bankers and Creditors 	<ul style="list-style-type: none"> › Global infrastructure of offices and equipment 	<ul style="list-style-type: none"> › Office-based usage of water, energy, land and carbon emissions
ASSOCIATED STAKEHOLDERS	<ul style="list-style-type: none"> › Employees › IT Service Providers › Clients 	<ul style="list-style-type: none"> › Employees › Suppliers › Clients 	<ul style="list-style-type: none"> › Shareholders › Employees › Clients › Agents › Suppliers › Government / Regulators › Communities 	<ul style="list-style-type: none"> › Shareholders › Financial Institutions / Bankers › Credit Underwriters › Creditors 	<ul style="list-style-type: none"> › Suppliers › Employees › Communities 	<ul style="list-style-type: none"> › Government / Regulators › Suppliers › Communities
ASSOCIATED STRATEGIC INITIATIVES	<ul style="list-style-type: none"> › Innovation– Technology Innovation › Innovation – Supply Chain Innovation › Diversification 	<ul style="list-style-type: none"> › Innovation – Talent Pool › Operating Efficiency › Growth – Organic Growth 	<ul style="list-style-type: none"> › Diversification › Operating Efficiency 	<ul style="list-style-type: none"> › Growth – Acquisitions › Growth – Organic Growth 	<ul style="list-style-type: none"> › Diversification › Growth – Acquisitions › Growth – Organic Growth 	<ul style="list-style-type: none"> › Diversification › Growth – Acquisitions › Growth – Organic Growth
LOCATION IN ANNUAL INTEGRATED REPORT	<ul style="list-style-type: none"> › Our Strategy › Our Key Differentiators › Our Investment Case › Our Business Model › Our Key Relationships › Governance Review › How we manage Risk › How we Create Value › Chairman and Chief Executive Officer's Review 	<ul style="list-style-type: none"> › 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 	<ul style="list-style-type: none"> › 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 	<ul style="list-style-type: none"> › How we Performed (Financial Highlights) › Our Strategy › Our Business Model › Our Key Relationships › Our Investment Case › How we Create Value › Financial Review › Shareholder Information 	<ul style="list-style-type: none"> › Our Strategy › Our Key Differentiators › Our Business Model › Competitive Positioning › Where we operate › How we Create Value › Chairman and Chief Executive Officer's Review 	<ul style="list-style-type: none"> › How we Create Value
LOCATION IN SOCIAL AND ENVIRONMENT REPORT	<ul style="list-style-type: none"> › Human Resources › Training and Skills Development 	<ul style="list-style-type: none"> › Human Resources › Wellness › Training and Skills Development › Skills Development Programmes › Employment Equity › Health and Safety › HIV/AIDS and Other Diseases 	<ul style="list-style-type: none"> › Corporate Social Investment › Skills Development Programmes › Employment Equity › Broad-based Black Economic Empowerment › Quality 			<ul style="list-style-type: none"> › Environment
LOCATION IN ANNUAL FINANCIAL STATEMENTS (Includes Audit & Risk and Social & Ethics Committee Reports)		<ul style="list-style-type: none"> › Social and Ethics Committee Report 		<ul style="list-style-type: none"> › Annual Financial Statements › Audit & Risk Committee Report 	<ul style="list-style-type: none"> › Annual Financial Statements (Segment Report) 	
PREDOMINANT INFLUENCING KING IV PRINCIPLES	4, 11, 12	1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15	1, 2, 3, 4, 5, 9, 11, 13, 14, 15, 16	4, 5, 11	4, 11	3, 4, 11, 13

*Not material

Chairman's and Chief Executive Officer's Review

Despite extremely trying economic conditions, the Group's resiliency has allowed us to prevent disruptive events that might otherwise have thwarted commercial opportunities.

The period under review can best be described as a challenging period for the Group. Notwithstanding the international footprint of 20 offices on 4 continents, the struggling South African economy had an adverse impact on the overall performance of the Group. This is a result of a significant component of the Group's earnings still being dependant on South African based operations.

Santova has however remained resilient. Despite extremely trying economic conditions and the absence of year-on-year profit growth, the Group is better placed than it has ever been before. This resiliency has allowed us to prevent disruptive events that might otherwise thwart commercial opportunity.

Our challenges for the year under review can be attributed to three regions, including South Africa, the United Kingdom and the Netherlands. All of which are not insurmountable, as elaborated upon in the commentary that follows:

SOUTH AFRICA

South Africa was in economic recession in 2018, its second since the early 1990s. This recession started in the first two quarters of the year where the economy shrank by 2,7% in the first quarter followed by a further contraction of 0,5% in the second. However, growth in the third and fourth quarters resulted in overall growth for the year coming in at 0,8%. The effects of this was evident on the JSE All Share Index (Alsi) which was down 11,0% in Rand terms or 24,0% in US Dollar terms.

Whilst the impact of the general economic climate was not as severe on the food and beverages and the automotive market, there was significant impact on manufacturers in communication equipment, electrical machinery, textiles and clothing, wood and paper, petroleum and chemical products.

In fact, textiles and clothing experienced its fourth consecutive year of production decline, contracting by 2,4% in 2018. Manufacturers in wearing apparel products had a particularly disappointing 2018, recording a 4,9% drop in production. Leather products and textiles didn't do too well either, falling by 3,9% and 3,3% respectively.

Albeit a well-diversified client base, Santova clients are predominantly in those industries that were significantly impacted on. The drop in volumes either shipped to or from South Africa also had a direct impact on our own offices in Europe.

UNITED KINGDOM

Our operations in the United Kingdom have experienced a year-on-year growth in the number of shipments or volumes shipped. However, as a result of the weaker Pound against the US Dollar, both profit margins and Pound-translated results for

the year were negatively impacted on. This is due to all freight buy rates being US Dollar denominated, including commissions and profit margins. The businesses, on the other hand, are better placed today than before to deliver on growth going forward. Noticeably, exporters have been the most obvious beneficiaries of Brexit – a weaker Pound has made British products more competitive in foreign markets, hence the growth in volumes shipped.

THE NETHERLANDS

The exceptional year-on-year growth of this business over the last six years has been a significant contributing factor to the Group's successive growth in earnings. However, during the period under review, this business fell well short of expectations. The irony, however, resides in the fact that whilst earnings are down on the previous year, the fundamentals of the business itself are far better placed than before. This view can be better understood from two perspectives; firstly, increased human resource costs as a result of the introduction of a pension scheme, and secondly, the loss of a select few large clients.

Regarding increased human resource costs, whilst there was no legal obligation for smaller enterprises to offer a pension to their employees, the rapid growth and size of Santova Netherlands warranted the introduction of a pension scheme for all employees. The result of which was an increase in the human resources cost structure.

The second matter concerns what is consistent with all 'start-up' businesses that begin maturing. That is, relatively few clients comprised approximately 30% or €480,000 of total gross profit, ceased trading with our business - the impact of which was significant on the earnings of the business. However, during the same period these few clients have been replaced by a far greater number of small clients whose cumulative gross profit more than equates to that amount lost. Furthermore, the volumes shipped, or transactions processed through this business are significantly up year-on-year. Based on these observations, not only is this business now characterised by a more favourable client spread, it is well poised to deliver on earnings going forward.

CAPITALISING ON THE SHIFTS IN LANDSCAPE

Global economies have experienced tremendous growth in bilateral trade relationships. They have become more interdependent whilst innovation in technology has brought importers and exporters from around the globe closer together. This shift in the landscape of global trade has opened exciting opportunities for the Group, including new trade routes between emerging and developed economies as well as new trade routes between emerging economies. This pattern is expected to become increasingly significant in the immediate and near future.

Insofar as emerging and developed economies are concerned, China and Germany are expected to become the fifth biggest trading partners in the world by 2030. This is expected to be a symbiotic relationship, with Germans importing inexpensive consumer goods and the Chinese importing high end manufactured goods such as pharmaceuticals, designer clothing, green technologies, motor vehicles and fashion brands. China will consume more than 20% of global demand for luxuries by 2025.

Trade between emerging economies is also expected to grow, particularly between Intra Asia-Pacific economies where for example Indonesia and Thailand are expected to record trade volumes five times higher by 2030. As China becomes richer, imports grow and labour becomes expensive, manufacturing moves to Indonesia, Vietnam, Malaysia, Thailand and Bangladesh. Trade between the Asia-Pacific region will make up 8 of the top 25 trade pairs by 2030. It is predicted that China will overtake the US and dominate global trade in 2030, featuring in 17 of the top 25 bilateral routes.

India is fast becoming a focal point of international trade. In fact, China and India are expected to become the fourth largest bilateral trading pair. The rapid growth of consumer demand in both countries is likely to fuel the demand for imports. In India, the export of electrical and electronic equipment is expected to grow nearly four-fold in the next few years and machinery and apparel is also to show strong growth.

In view of these changing landscapes and the projected growth of bilateral trade routes, we have established our own offices at strategic locations in Asia and Europe. These offices will provide a stable platform for future growth along these new yet fast evolving bilateral trade lanes.

OUTLOOK

Whilst the outlook for the South African economy for the year ahead is relatively 'flat' to 'slightly optimistic', we are confident that the Group will continue to build on its growth strategy which is founded on growing organically and through strategic geographic acquisitions. As we have always proclaimed, amidst intense competition and 'slow economies', lucrative possibilities are still accessible to those organisations that have the entrepreneurial flair and a willingness to engage.

Insofar as the 'challenges' of 2019 is concerned, we are of the opinion that the Group will 're-instate' its traditional profit growth curve going forward. However, we believe it prudent to highlight that whilst confident of the performance of our offshore offices, South Africa remains both a concern and a challenge for the year ahead.

For the coming year, our focus will be predominantly concerned with the express services industry, the rapid growth of the intra-Asia economies and finally, the application of technological automation.

SANTOVA EXPRESS

With the global growth in the parcel industry exceeding expectations, we will continue rolling out Santova Express internationally. Our adoption of sophisticated online automated services in this market is allowing us to realise significant cost savings while increasing the overall experience for the customer. Santova Express provides businesses with new opportunities to sell their products and services to international markets through a seamless online experience and high-quality customer care.

INTRA-ASIA

China is one of the economic engines of the world and remains a dominant driver of global trade. But the rise of numerous Southeast Asian economies is fuelling the growth of intra-Asia trade and along with it, trans-Pacific, Europe-Asia and intra-Asia. Vietnam is the latest success story with the economy producing double-digit growth rates in recent years, partly due to some shifting of production out of China.

TECHNOLOGICAL INNOVATION

We will continue to implement sophisticated software packages and high-end technologies to automate our workflow processes and procedures and/or automated machinery to improve the efficiency of our operations. With broader tasks undertaken by supply chain management systems and enterprise resource planning systems, we have already experienced the benefits of increased productivity margins whilst also error-free and swift servicing across diverse demographics.

ACKNOWLEDGEMENT AND APPRECIATION

The world is changing and changing fast. Rapid technological innovation accompanied by newly evolving socio-eco-cultural-political environments means that life as we know it has changed. This reinforces our strategy of continually seeking and developing opportunities that will ensure a sustainable competitive advantage.

We would like to express our appreciation to all staff, executive management and fellow Board members for their commitment and unrelenting support for what we stand for. To our clients, shareholders, suppliers and business associates, thank you for your loyalty and continued support without which we would not have been able to manage and leverage, both the opportunities and challenges that we encounter on our journey. We look forward to your continued support in taking Santova to its next level of success.

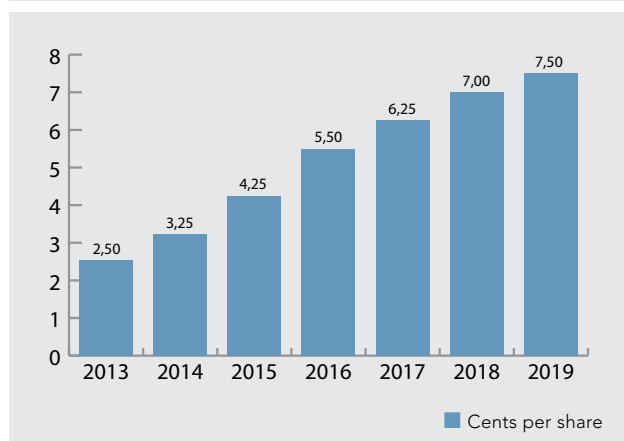
Financial Review

During the 2019 financial year the Group encountered one of the most challenging trading environments since the global financial crises of 2007-2008.

Economic conditions in key regions in which the Group operates had an impact on trade volumes which in turn negatively impacted on billings growth and revenue margins. As a result, the Group experienced a decline in profitability across key regions which in turn translated into a 14,2% decrease in Group profit for the year from R71,3 million in 2018 to R61,1 million in 2019.

The Group's strategy of diversification across geographical regions has historically provided a buffer against the impact of unforeseen economic conditions in individual regions, however in the current year the difficult economic environments experienced across key regions simultaneously, was unprecedented.

DIVIDEND PER SHARE



The key financial highlights and events that had an impact on the Group's results for 2019, included the successful conclusion of two acquisitions, one in an existing region in which the Group operates, designed to bolster existing operations and to bring new trade routes, and the second, in a new jurisdiction, growing the Group's international footprint.

Details of these acquisitions are as follows:

▶ ASM Logistics ("ASM") a non-asset-based logistics company, incorporated in Singapore in 2009, with operational activities in Singapore, Hong Kong, Indonesia, Malaysia, Thailand and Vietnam. The acquisition of ASM was neither a category 1 or 2 transaction in terms of the JSE Listings Regulations but was viewed as strategic as it allows Santova to further entrench itself in Asia and the location of Singapore provides Santova with a platform to share in the growth of South East Asia, a fast-growing and emerging economic region. The total purchase price was R13,6million which was funded in cash from existing resources and the business was acquired with effect from 1 August 2018;

▶ SAI Logistics ("SAI") a company founded in 2007, which operates as an international freight forwarding agent and operator of a bonded warehouse based in Milton Keynes, United Kingdom. SAI brings to the Group a strong brand within the United Kingdom specialising in sea and air imports along the niche trade route from India to the United Kingdom. Relative to its size, the acquisition was categorised as a category 2 acquisition and the total purchase price of R52,1 million was funded via the Group's new medium-term acquisition loan facility. The business was acquired with effect from 1 October 2018.

As indicated above, in October 2018 the Group successfully secured an additional six-year medium term loan facility of R75 million from its primary bankers, to be utilised for the funding of ongoing new acquisitions.

GROUP PROFITABILITY

The Group's basic earnings per share and headline earnings per share both declined 14,8% during the 2019 financial year from 44,87 cents per share to 38,21 cents and from 44,84 cents per share to 38,21 cents, respectively.

The primary factors that had a negative impact on these results, include the following:

- ▶ The growth in overhead expenses of 9,9% exceeding the growth in revenue of 3,3%;
- ▶ Excluding the impact of acquisitions, like for like overhead expenses increased by 3,9% which is consistent with the average inflationary levels across the various regions the Group operates in;
- ▶ Excluding the impact of the acquisitions, like for like revenue declined by 1,4%. This was the result of:
 - A growth in billings of only 1,1%, primarily impacted upon by the 2,2% decline in billings in South Africa, the largest regional contributor to Group billings as it is required to fund Customs VAT and Duties on behalf of clients;
 - The overall billing/revenue margin declining from 8,0% to 7,8%; and
 - both a result of the difficult regional economic trading conditions;
- ▶ A 20,5% decline in other income from R14,4million in 2018 to R11,4million in 2019, as a result of lower levels of rebates received from credit underwriters in 2019; and
- ▶ The above being offset by the positive impact of the effective tax rate declining from 24,9% in 2018 to 24,2% in 2019, as the Group continues its international diversification into regions with lower corporate income tax rates than in South Africa.

GROUP SUMMARISED CONSOLIDATED PROFIT OR LOSS	2019 R'000	2018 R'000	Movement %	Excluding Acquisitions 2019 R'000	Movement %
GROSS BILLINGS	4 220 581	4 123 540	2,4%	4 169 450	1,1%
Revenue and net interest income	342 234	329 277	3,9%	324 509	(1,4)%
Other income	11 418	14 362	(20,5)%	10 304	(28,3)%
Depreciation and amortisation	(4 191)	(3 355)	24,9%	(3 646)	8,7%
Administrative expenses	(263 317)	(239 628)	9,9%	(248 937)	3,9%
Operating profit	86 144	100 656	(14,4)%	82 230	(18,3)%
Interest received	202	279	(27,6)%	199	(28,5)%
Finance costs	(5 726)	(5 998)	(4,5)%	(3 877)	(35,4)%
Profit before taxation	80 620	94 937	(15,1)%	78 552	(17,3)%
Income tax	(19 506)	(23 670)	(17,6)%	(19 148)	(19,1)%
Profit for the year	61 114	71 267	(14,2)%	59 404	(16,6)%
Attributable to:					
Equity holders of the parent	61 094	71 252	(14,3)%	59 384	(16,7)%
Non-controlling interests	20	15	30,5%	20	30,5%
Other comprehensive income					
Exchange differences arising from translation	33 975	(3 933)	963,8%	33 819	959,9%
Net actuarial loss	(7)	-	100%	(7)	100%
Gain on revaluation of property	-	36	(100,0)%	-	(100,0)%
Total comprehensive income	95 082	67 370	41,1%	93 223	38,4%
Key ratios:					
- Billings/revenue margin	8,1%	8,0%	0,1%	7,8%	(0,2)%
- Operating margin	25,2%	30,6%	(5,4)%	25,3%	(5,3)%
- Effective tax rate	24,2%	24,9%	(0,7)%	24,4%	(0,5)%
- Interest cover (times)	15,6	17,6	(11,4)%	22,4	27,3%
- Basic earnings per share (cents)	38,21	44,87	(14,8)%	37,14	(17,2)%
- Headline earnings per share (cents)	38,21	44,84	(14,8)%	37,14	(17,2)%
- Dividends per share (cents)	7,50	7,00	7,1%		
- Dividend cover (times)	5,1	6,4	(20,3)%		
- Return on equity	13,3%	18,4%	(5,1)%		
- Percentage offshore earnings	58,3%	60,0%	(1,7)%		
Average exchange rates:					
- USD/ZAR	13,53	13,07	3,5%		
- GBP/ZAR	17,82	17,15	3,9%		
- EUR/ZAR	15,76	15,11	4,3%		
- USD/GBP	1,32	1,31	0,8%		

Financial Review continued

REGIONAL PERFORMANCE

On a regional basis, the key financial highlights include:

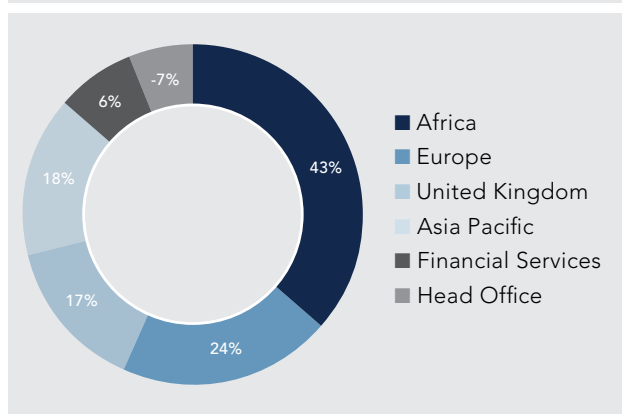
- › In South Africa, which continues to be the Group's largest single regional contributor, the following observations can be made:
 - The ongoing subdued growth, lower consumer spending and lower levels of business confidence generally, resulted in trade and shipment volumes declining by on average 12,0% which in turn saw billings decline from R2,706 billion in 2018 to R2,647 billion in 2019;
 - This was counteracted by a slightly improved billings/revenue margin which increased from 5,1% in 2018 to 5,3% in 2019, as a result of the relatively stable rand over the period and improved freight 'buy rates', with the net result being a very modest growth in revenue of 1,4% in 2019; and
 - The result of the above when combined with a 6.9% inflationary increase in overhead expenses, is that profit for the year declined by 15,6%.
- › Whilst in the other two key logistics regions of the United Kingdom and Europe, the opposite effect emerged in like on like performance. Excluding the impact of the acquisitions, both regions managed to achieve growth in billings but due to economic and currency pressures and regional pricing competition, they could not maintain margins and as a result both saw a decline in revenue;
 - › On the positive side, billings in the United Kingdom and the Netherlands grew a credible 5,1% and 2,1%, respectively. This was despite the loss of a significant client in the Netherlands and was achieved through the take on of a significant number of new smaller, more diverse customers in both regions;
 - › In the United Kingdom, the benefits of the consolidation of three of the Group's operating units during the year into one company were evident in a pleasing 4,1% decline in overhead expenses;
 - › Whilst in the European region, overhead expenses increased by 7,2% which is in excess of local inflation levels and was primarily due to the enhancement of employee benefits consistent with local market practice in the Netherlands region, where the cost from the introduction of a company pension scheme increased overhead expenses by approximately 2,9%; and
 - › The United Kingdom was also negatively impacted by the sudden and unforeseen liquidations of 3 clients resulting in total bad debts written off of R1,820 million with no further recoveries expected from these.

BUSINESS SEGMENTS	Logistics Services R'000	Financial Services R'000	Head Office R'000	GROUP R'000
2019				
Gross billings - external	4 211 106	9 125	350	4 220 581
<i>Percentage movement</i>	2,4%	2,5%	(19,2)%	2,4%
Revenue and net interest income	333 108	9 931	(805)	342 234
<i>Percentage movement</i>	3,9%	0,7%	(27,3)%	3,9%
Profit for the year	62 254	4 222	(5 362)	61 114
<i>Percentage movement</i>	(15,3)%	12,9%	(10,1)%	(14,2)%
Total assets	940 077	17 595	79 305	1 036 977
<i>Percentage movement</i>	8,0%	15,2%	0,5%	7,5%
Total liabilities	559 594	850	(25 724)	534 720
<i>Percentage movement</i>	3,0%	(18,5)%	(777,1)%	(2,5)%
Key ratios:				
- Revenue/Billings Margin	7,9%	108,8%	(230,0)%	8,1%
<i>Percentage movement</i>	0,1%	(1,9)%	25,9%	0,1%

GEOGRAPHICAL SEGMENTS

	LOGISTICS SERVICES				
	Africa R'000	Asia Pacific R'000	United Kingdom R'000	Europe R'000	TOTAL R'000
2019					
Gross billings - external	2 509 488	255 344	791 517	654 757	4 211 106
Percentage movement	(2,5)%	12,2%	13,4%	6,5%	2,4%
Revenue and net interest income	141 445	35 460	82 016	74 187	333 108
Percentage movement	1,8%	12,1%	7,3%	0,9%	3,9%
Profit for the year	26 438	11 082	10 201	14 533	62 254
Percentage movement	(11,3)%	4,6%	(25,4)%	(25,2)%	3,9%
Total assets	533 605	73 437	239 853	93 182	940 077
Percentage movement	(5,4)%	52,9%	36,3%	13,9%	8,0%
Total liabilities	340 677	26 225	135 243	57 449	559 594
Percentage movement	(14,9)%	48,4%	89,2%	7,0%	3,0%
Key ratios:					
- Revenue/Billings Margin	5,6%	13,9%	10,4%	11,3%	7,9%
Percentage movement	0,2%	0,0%	(0,6)%	(0,6)%	0,1%

2019 PROFIT FOR THE YEAR



FINANCIAL POSITION

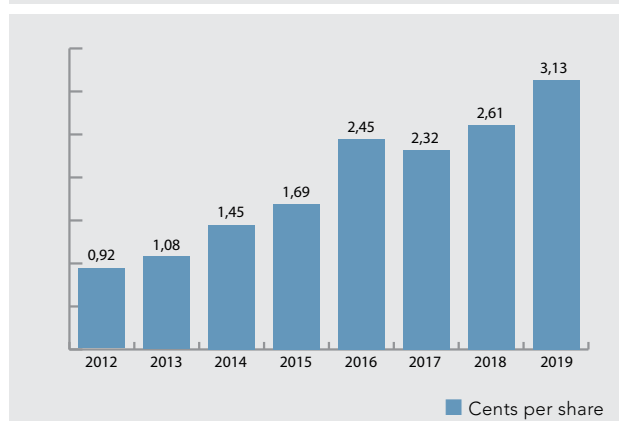
The Group's overall financial position was primarily impacted by three factors during the course of the year:

- › The acquisition and consolidation of ASM and SAI which resulted in an increase across most major line items, resulting from the take on of 'at acquisition' balances and the debt and financial liabilities related to the financing of these transactions;
- › The weakening of the closing South Africa Rand exchange rate to the British Pound by 14,3% and to the Euro by 11,0%. Both of which caused significant currency translation gains and an increase across most line items; and
- › The ongoing profitability of the Group which saw total Capital and Reserves increase 20,7% to an excess of R500 million for the first time and the total assets to exceed R1 billion.

Movements in specific amounts and ratios to be noted are as follows:

- › Intangible assets increased 39,7% from R181,4 million in 2018 to R253,3 million in 2019 due to:
 - Foreign currency gains made on the revaluation of Goodwill of R18,1 million; and
 - R52,1 million in Goodwill recognised from the acquisition of SAI and ASM.
- › The increase in total short and long-term interest bearing borrowings from R36,3 million in 2018 to R48,9 million in 2019 due to the new 6-year medium term loan of R23,8 million taken up to finance the acquisition of SAI. Despite this additional loan advance, the Debt to Equity ratio decreased to 40,8% from 46,5% in 2018, due primarily to the increase in total Capital and Reserves.
- › An increase in the total long and short-term financial liabilities to R35,2 million, as a result of the deferred purchase considerations over 2/3 years from the acquisition of ASM and SAI, which are subject to the meeting of profit warranties; and
- › A 19,8% increase in Net Asset Value per share from R2,61 in 2018 to R3,13 in 2019.

NET ASSET PER SHARE



Financial Review continued

GROUP SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	2019 R'000	2018 R'000	Movement
ASSETS			
Non-current assets	294 780	213 780	37,8%
Property, plant and equipment	27 638	20 379	35,6%
Intangible assets	253 348	181 411	39,7%
Financial assets	7 574	4 366	73,5%
Deferred taxation	6 224	7 839	(20,6)%
Current assets	742 197	750 381	1,1%
Trade receivables	607 663	579 376	4,9%
Other receivables and financial assets	43 998	62 142	(29,2)%
Current tax receivable	735	492	49,4%
Cash and cash equivalents	89 801	108 371	17,1%
	1 036 977	964 376	7,5%
EQUITY AND LIABILITIES			
Capital and reserves	502 257	416 172	20,7%
Non-current liabilities	53 958	22 323	141,7%
Interest-bearing borrowings	30 379	21 039	44,4%
Long-term provision	1 158	1 284	(9,8)%
Financial liabilities	21 982	-	100%
Deferred taxation	439	-	100%
Current liabilities	480 762	525 881	(8,6)%
Trade and other payables	187 850	202 320	(7,2)%
Current tax payable	3 366	7 246	(53,5)%
Current portion of interest-bearing borrowings	18 561	15 561	19,3%
Amounts owing to related parties	261	220	18,8%
Financial liabilities	13 200	17 350	(23,9)%
Short-term borrowings and overdrafts	245 559	265 097	(7,4)%
Short-term provisions	11 965	18 087	(33,8)%
	1 036 977	964 376	7,5%
Key ratios:			
- Debtor days	52,6	51,3	1,3 days
- Creditor days	17,4	19,3	(1,9) days
- Debt to equity ratio	40,8%	46,5%	(5,7)%
- NAV per share	3,1	2,61	19,8%
- Tangible NAV per share	1,55	1,47	5,4%
- Current ratio	2,8	2,5	0,3 times
Closing exchange rates:			
- GBP/ZAR	18,59	16,26	14,3%
- Euro/ZAR	15,92	14,35	11,0%
Credit ratios:			
Trade Receivable impairment provisions at year end			
- Total amount	2 800	5 714	(51,0)%
- Percentage of Trade Receivables	0,46%	1,0%	(26,6)%
Impairment of Trade Receivables written off during the year			
- Total amount (net of recoveries)	2 156	990	117,7%
- Percentage of Trade Receivables	0,35%	0,17%	442,5%
Ageing of Trade Receivables			
- Total amount >60 days past terms	8605	9 445	(8,9)%
- Percentage >60 days past terms	1,4%	1,6%	(13,1)%

Consistent with the Group's non-asset based operating model, its core asset remains its trade receivables balance making up 58,6% of total Group assets. As a result, the credit management of trade receivables remains a core focus of the Group. The credit quality of the trade receivables book remains sound with:

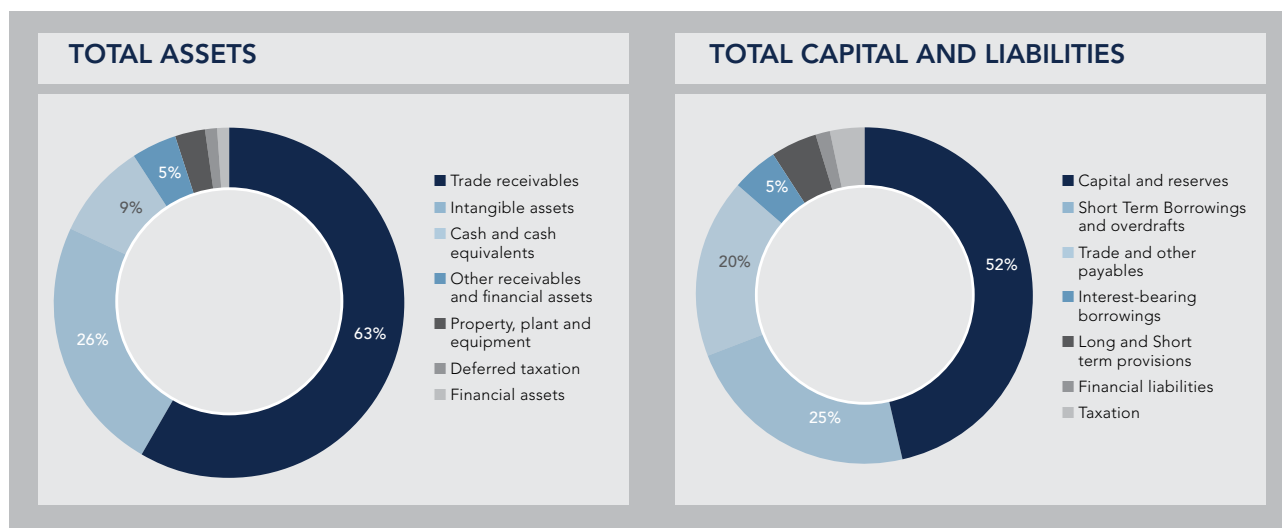
- › Like on like debtor days, excluding the two recent acquisitions, increasing by only 0,5 days from 51,3 days in 2018 to 51,8 days in 2019; and
- › Total impairment provisions decreasing 51,0% from a ratio of 0,99% of the book in 2018 to 0,46% of the book in 2019.

What is pleasing is the performance of the South African book, which makes up 74,8% of the total Group book, where debtors days improved slightly and bad debt write offs for the year totalled only R0,3 million, despite the current economic conditions.

CASH ON HAND

Cash and cash equivalents on hand as at year end have decreased by 17,1% from R108,4 million in 2018 to R89,8 million in 2019, primarily due to:

- › The R17,4 million payment in March 2018 of the final warranty amounts on the acquisition of Tradeway (Shipping) in 2015;
- › The initial portion of the purchase price for ASM of R8,3 million being paid in cash; and
- › The ongoing quarterly capital repayment of the R60 million medium-term loan taken out in 2015 to finance the Tradeway (Shipping) acquisition which totalled R15,4 million during the year.



CASH FLOWS

Net cash generated from operations decreased by 70,2% or R47,6 million from R67,8 million in 2018 to R20,2 million in 2019. This is primarily due to 3 factors:

- › The 15,1% or R14,3 million decline in profit before tax;
- › A R6,7 million non-cash flow fluctuation on the revaluation of financial assets and liabilities principally the Group's Cell Captive and a profit share on a property, offset by a cash dividend received from the Cell Captive in the previous financial year; and
- › A R24,4 million outflow as a result of working capital changes of which R16,1 million is directly attributable to timing difference on payment of Customs Duties for one client in Santova Logistics Germany who is an importer of exclusive watches.

These working capital movements are once again indicative of the sensitivity of the Group's cash to immaterial movements in its trade receivables, as the numerical formula for cash flow movements is the difference between opening and closing year end balances and is therefore:

- › Highly sensitive to variations in revenue in the last month of the financial year; and
- › Not reflective of the actual trading conditions experienced during the course of the year.

SUBSEQUENT EVENTS

Subsequent to the year end it was announced that, Santova had concluded an agreement for the acquisition of 100% of the issued share capital of MLG Maritime Cargo Logistics GmbH (Germany) for an amount of €1,919,040 with effect 1st March 2019. The acquisition is still subject to certain suspensive conditions and is expected to formally complete by the end of May 2019.

Financial Review continued

GROUP SUMMARISED CONSOLIDATED CASH FLOW	2019 R'000	2018 R'000	Movement %
OPERATING ACTIVITIES			
Cash generated from operations	47 755	92 139	(48,2)
Interest received	202	279	(27,6)
Finance costs	(5 726)	(5 300)	8,0
Taxation paid	(22 021)	(19 358)	13,8
Net cash flows from operating activities	20 210	67 760	(70,2)
INVESTING ACTIVITIES			
Property, plant, equipment and intangible assets acquired	(5 729)	(8 399)	(31,8)
Proceeds on disposals of property, plant, equipment and intangible assets	483	425	13,6
Net cash flow on acquisition of subsidiaries	(23 889)	–	100,0
Settlement of acquired contingent purchase consideration	(17 380)	–	(100,0)
Net cash flows from investing activities	(46 515)	(7 974)	483,3
FINANCING ACTIVITIES			
Borrowings raised/(repaid)	11 131	(20 770)	(153,6)
Issue of shares for cash	737	489	50,7
Purchase of treasury shares	–	(1 566)	100,0
Net cash flows on acquisition of minority interest	–	(11 271)	100,0
Dividends paid	(11 202)	(6 036)	85,6
Net cash flows from financing activities	666	(39 154)	100,0
Net (decrease)/increase in cash and cash equivalents	(25 639)	20 632	(224,3)
Difference arising on translation of foreign operations	7 069	(4 033)	(275,3)
Cash and cash equivalents at beginning of year	108 371	91 772	(18,1)
Cash and cash equivalents at end of year	89 801	108 371	(17,1)
Debt to equity ratio	40,8%	46,5%	(5,7)
Total cash on hand:	100%	100%	
- South Africa	16%	11%	5
- Offshore	84%	89%	(5)
Total funding facilities available	480 364	429 104	11,9
Total unutilised funding facilities	185 873	127 564	45,7

Who Governs Us

INDEPENDENT NON-EXECUTIVE DIRECTORS

WARWICK LOMBARD (63)

CA (SA)

Chairman

Appointed: 5 June 2008

Committees: A&RC, SEC, Chairman 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.

EDWARD (TED) GARNER (79)

CA (SA), MBL (UNISA), MSIA (Carnegie Mellon, USA)

Appointed: 5 June 2008

Committees: A&RC, SEC, NC, Chairman 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/Tongaathulett group, which he joined in 1967. He was appointed Financial Director of the Tongaat-Hulett group in 1978 and in addition was Executive Chairman of various operating divisions of the group and Vice-Chairman of Triangle Sugar Corporation in Zimbabwe. Since his retirement from the Tongaat-Hulett group in 2000, Ted has focused on various directorships and his business consultancy.

ANTHONY (TONY) DIXON (72)

CA (SA), CD (SA), F Inst. D

Appointed: 1 December 2010

Committees: Chairman A&RC, SEC, 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. 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.

ERNEST NGUBO (54)

Pr Eng; BSc Eng Elec (Natal); NHD Eng Elec (DUT);

Financial Management Diploma

Appointed: 25 February 2014

Committees: Chairman 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 (56)

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 departure from Investec Private Bank in 2002, Glen joined Santova and has been instrumental in the development of the Group over the last 16 years as CEO.

Who Governs Us continued

DAVID EDLEY (51)

CA (SA)

Group Financial Director

Appointed: 1 March 2012

Committees: EXCO, 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 (45)

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.

COMPANY SECRETARY

JENNIFER LUPTON (77)

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 (40)

BCom, LLB, ACIS, CGC ~~Q~~-SA

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 14 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, Group Health and Safety Committee and National Customs Committee and is a member of the Social and Ethics Committee. Andrew was appointed a member of the Group Exco in January 2013. Andrew is an Associate of the Institute of Chartered Secretaries (SA) and a Corporate General Counsel (SA) having been certified by the Corporate Counsel Association of South Africa, in 2018.

GERT (GERRIT) FOURIE (40)

EMLog (ELA), BTech. IE (TUT)

Divisional Executive: Santova International Trade Solutions

Appointed member of Group EXCO: 22 February 2017

Committees: EXCO, Chairman IT

Gerrit obtained his BTech degree in Industrial Engineering before joining Comporex (now BCX) in a solutions development role. His career spans various full-time and solution advisory roles within the automotive manufacturing, local distribution, fast moving consumer goods and international logistics sectors for local and multinational organisations. Gerrit is certified through the European Logistics Association as a Master Logistician (EMLog). He joined Santova in 2013 to lead the Supply Chain Solutions team and was subsequently appointed to the Group Exco in 2017.

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

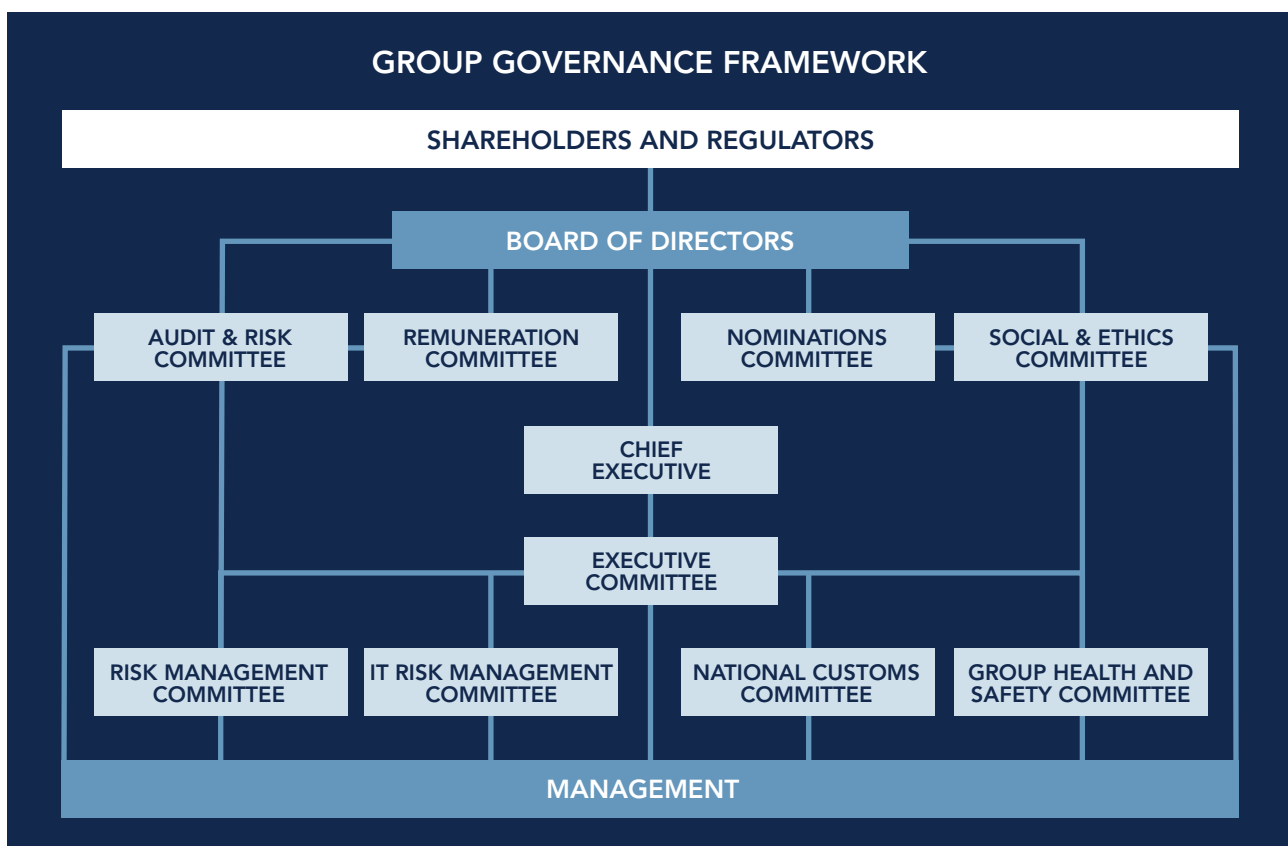
Governance Review

The 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 and expansion in 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.



Governance Review continued

ETHICS AND COMPLIANCE

Ethics

The Group's vision and purpose as set out on page 3 and its culture and values as set out on page 10 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, which are attended by the business unit leaders from 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.

Whistle Blowing

The Company has a Whistle Blowing Policy and a Whistle Blowing inbox, details of which may be found on the Group's website www.santova.com 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. No incidents of fraud were reported during the year under review.

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, complied with the Listings Requirements of the JSE Limited, the Companies Act No. 71 of 2008 and all other applicable legislation and regulations

Application of King IV

The Company continued on its journey to implement the principles and practices of King IV in its 2019 financial year and has used the King IV versions of the Governance Assessment Instrument ("GAI") of the Institute of Directors, to assess its level of compliance with the recommendations of King IV. In completing the GAI questionnaires, a number of areas for improvement were identified and more of the King IV disclosure recommendations have been applied to this year's process of preparing this Annual Integrated Report. The full report from the GAI in each category is available in the Corporate Governance section of the Group's website at www.santova.com.

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
Establishing	the strategic objectives of the Group
Determining	investment and capital allocation criteria
Accounting	for the performance, proper management and ethical behaviour of the Group
Defining	levels of materiality, reserving specific powers to itself and delegating other matters to executive management in terms of a limits of authority framework
Monitoring	the management of key strategic and operational risk issues and performance areas and identifying key non-financial issues relevant to the Group
Reviewing	the performance of the various Board committees established to assist in the discharge of its duties

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

COMPOSITION

Brief biographical details of each of the current directors are set out on pages 23 and 24 of this Annual Integrated Report under the heading “Who Governs Us”.

COMPOSITION	Unitary Board of seven directors
	Majority non-executive directors, all of whom are independent
	Extensive financial, corporate governance and business experience, balanced with entrepreneurial flair
	Size of the Board is considered appropriate to the present size of the Group
	Adopted a Division of Responsibilities Policy that ensures a clear division of responsibilities and a balance of power and authority
	Chairman and Chief Executive Officer roles are separated and their responsibilities clearly defined
	The Chairman is an independent non-executive director

APPOINTMENTS

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;
- › Directors who have served for more than 9 years on the Board retire annually;
- › If eligible and available, they are considered for re-appointment by the Shareholders at the Annual General Meeting; and
- › 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.

There were no new appointments during the year under review.

Composition			1	2	3	4
Non-Executive Directors	4	57%				
Executive Directors	3	43%				
Independent Non-Executive Directors	4	100%				
HDSA Directors	1	14%				
Age						
> 60 years	3					
50 - 60 years	3					
40 - 50 years	1					
Tenure						
>10 years	3					
5 - 10 years	3					
0 - 5 years	1					

Governance Review continued

DIVERSITY POLICY

The Board has adopted a formal policy for diversity 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. The Board has taken the decision not to make any further appointments in the current financial year and when the right opportunity presents itself an appointment will be made in terms of this policy.

BOARD AND COMMITTEE EVALUATION

An evaluation of the performance of the Board was undertaken during the course of the past financial year. Generally the Board was satisfied with the performance of the Board and its committees. A report highlighting a few areas where some directors felt further attention was needed was discussed at a subsequent Board meeting and will be followed up on during the current financial year.

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.

Dealing in Securities

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

senior management of the Group who have access to unpublished and price-sensitive information are prohibited from dealing in shares of the Group during closed or prohibited periods and are required to always seek permission from the Chairman of the Board prior to any dealing.

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 IV 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 formal Board committees. In the interests of broadening Board members' knowledge of the Company, all directors who are not members of the Committee are invited to, and do, attend all Committee meetings.

AUDIT AND RISK COMMITTEE

A full Audit and Risk Committee Report, which addresses the role, responsibilities and activities of the Committee in terms of its statutory duties, as well as its role in the oversight and the management of risk in the Group, both locally and internationally, may be found on page 3 to 5 of the Audited Financial Statements and on the Group's website at www.santova.com.

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

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

		Board	Audit & Risk	Nominations	Remunerations	Social & Ethics
Independent, non-executive directors						
WA Lombard	Board/Nominations Committee Chair	4/4	4/4	1/1	2/2	2/2
ESC Garner	Remuneration Committee Chair	4/4	4/4	1/1	2/2	2/2
AD Dixon	Audit and Risk Committee Chair	4/4	4/4	1/1	2/2	2/2
EM Ngubo	Social and Ethics Committee Chair	4/4	-	-	-	2/2
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

Risk Management

A full commentary on how risk is managed in the Group may be found on pages 30 and 31 of this Report and commentary specific to IT Risk appears below.

IT Governance and Risk

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's IT Risk Management Committee has the day-to-day responsibility for overseeing the implementation of IT strategy and governance in all regions worldwide. The IT Risk Management Committee met five times during the past financial year and reports directly to the Audit and Risk Committee. The Committee is chaired by the Group Supply Chain Executive and is made up of senior management with the requisite IT knowledge and experience.

The key IT challenges that the Group is currently faced with are the risk of disruptive technologies in the industry and commoditisation of services and information and cyber security.

The following key initiatives were undertaken during the year:

- › The implementation of the Group's GDPR (General Data Protection Regulation) policies and procedures, including the training of staff, following the implementation of this new legislation in the European Union;
- › The successful launch and international deployment of TradeNav®, the Group's latest generation client service management portal; and
- › The research and pilot testing of CargoWise (the primary system utilised by the Group internationally) to replace CompuClearing (the South African region's core logistics operating system).

During the 2020 financial year, the key focus areas of the Committee will be:

- › The identification of a suitably experienced candidate to be appointed as a non-executive member of the committee to enhance its governance and experience;
- › The restructuring of the Group's internal IT infrastructure support to better align it to the Group's international growth strategy;
- › Full implementation of the conversion of CompuClearing to CargoWise in South Africa;
- › Primary launch of the Group's first client facing mobile application;
- › Continued roll-out and enhancement of TradeNav® across the Group including the development of a smart phone application version; and
- › Further cyber security assessments in terms of vulnerability of systems.

NOMINATIONS COMMITTEE

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

- › Reviewed the Charter and an Annual Work Plan;
- › Reviewed the succession plan for executive directors and senior positions in the Group;

- › Confirmed the independence of the non-executive directors through a documented assessment;
- › Established the percentage increase for non-executive directors' fees for 2019/2020; and
- › Reviewed the Diversity policy.

REMUNERATION COMMITTEE

The Committee held two meetings during the year under review and focused on the following key activities:

- › Reviewed the 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.

During the year the Committee developed a Remuneration Policy document for the Group in line with the principles and practices of King IV related to employee remuneration in general. The Group's Remuneration Policy is explained in the "How We Remunerate" report on pages 38 to 43.

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.

SOCIAL AND ETHICS COMMITTEE

The Group Legal Advisor has compiled a 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 the Committee interrogates each of the items on an ongoing basis for their relevance to the Group and to assess the Group's level of compliance in relation thereto.

The full Report of the Social and Ethics Committee may be found on page 6 and 7 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 24 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 IV.

JSE SPONSOR

River Group have been the sponsor to the Group since it listed in 2002 and is consulted on a regular basis on matters concerning the JSE Listings Requirements.

How We Manage Risk

The Santova Board acknowledges that effective corporate governance and proactive risk management are central to creating and sustaining value.

Within the ambit of the goals set out in King IV, Santova has set its Risk Management Objectives and manages its risks using the Risk Management Process and Risk Management Tools as explained further in this report.

KING IV

The Board has assumed responsibility for risk governance and in terms of principle 11 read with principles 4, 8 and 10, the Board has:

- › Set the approach and strategy to risk governance within the Group where risk is an integral part to decision-making and adherence to roles and duties;
- › Stipulated the Group's Risk Policy, which defines the Risk Management Objectives, Risk Management Framework, Risk Management Process and clarifies the concept of the Group's Risk Tolerance;
- › Delegated the implementation and execution of effective risk management to management through its Risk Management Framework; and
- › Overseen the management of risk within the Group and participated in the rating and assessment of the Group's Key Inherent Risks disclosed on pages 32 and 33 of this report.

RISK MANAGEMENT OBJECTIVES

Santova's risk management objectives are to:

	CREATE	an awareness and understanding of risk.
		a culture of risk management accountability at all levels within the organisation.
	IDENTIFY	risks completely and capture these risks in Santova's Risk Register.
		Santova's risk tolerance, which will allow for the achievement of strategic and business objectives.
	ENGAGE	risks and manage them effectively within the risk tolerance parameters
		risk management as part of the normal operations, which includes linking risks to controls.
	COMPLY	with appropriate risk management practices.
		with corporate governance guidelines and relevant codes of good practice.

RISK TOOLS

The following risk tools are used in the implementation of the Risk Management Process to achieve the Risk Management Objectives:

RISK MANAGEMENT FRAMEWORK	PURPOSE	The framework is made up of all role players who manage risk and implement the Risk Management Process. This includes Management and the various Group Committees and is ultimately overseen by the Board. A graphical representation of the framework can be seen in the Governance Review on page 25 of this integrated report.
	FUNCTION	This framework applies the Risk Management Process and embeds risk principles and instills a 'risk culture' into daily operations. The usage of the committees within the framework allows for the contribution by specialist role players and also draws on external assurance provided by external role players within these committees.
RISK MANAGEMENT COMMITTEE	PURPOSE	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. The committee met on three occasions during the past financial year and is made up of the following role players: Group Chief Executive Officer, Group Financial Director, Group Legal Advisor (Chairman), Group Financial Manager (Secretary), Santova Financial Services Managing Director, Santova Logistics (South Africa) Financial Director and Santova Logistics Kwazulu-Natal Regional Head.
	FUNCTION	The Committee interacts directly with Management (and where appropriate, employees of all levels) to ensure complete implementation of the Risk Management Process.
RISK INBOX PROCESS	PURPOSE	Allows any employee to identify and communicate a risk to the Risk Management Committee via a dedicated email address.
	FUNCTION	Whilst this opportunity is available at all times for any employee, the secretary of the Risk Management Committee also communicates with top, senior and certain middle management to remind regions to submit risk observations.
RISK REGISTER	PURPOSE	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.
	FUNCTION	The register facilitates and provides the record of the complete Risk Management Process implemented by the Risk Management Framework.



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

OVERVIEW OF OUR KEY INHERENT RISKS

The key material inherent risks of the Group are set out on pages 32 to 35 of the report. In the first table entitled "Our Key Inherent Risks", the risks are described, the potential impact on value creation is explained and the risk response (mitigation) is then detailed. In the next section, we analyse these risks further by summarising the risks into categories and by providing further detail and context to these risks by cross referencing the risks with core focus areas of strategic initiatives, six capitals and stakeholders.

Our Key Inherent Risks

NO.	KEY RISK DESCRIPTION	POTENTIAL IMPACT ON VALUE CREATION	RISK RESPONSE & MITIGATION
1	Risk associated with current economic environment and socio-political instability both within South Africa and internationally.	Weakening in the financial stability and profitability due to heightened probability of decreases in trading volumes and reducing margins, increased cost of funding, increased operational costs, currency volatility, increased interest rates and inflation.	<ul style="list-style-type: none"> › 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; and › Anticipate and control the elements that are controllable and develop natural hedges against this risk by expanding offshore offices in multiple jurisdictions.
2	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.	<ul style="list-style-type: none"> › Implementation of key account management team and development of operations controllers to handle relationship management; › Implementation of revised client visit plan for all levels of management including key visits by senior personnel; › Focus on regular client visits and the formal reporting and follow up of those visits through the courtesy call report; › Addressing key client concerns (feedback) with operational management through the needs analysis review and service level review; and › Development of the formal client management reporting in South Africa through the ISO quality Management System.
3	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.	<ul style="list-style-type: none"> › A Group marketing strategy formulated and approved at main Board level; › Recruitment of new and experienced sales personnel globally; › Development of key differentiators to empower sales personnel; › Innovation through brand workshops with advertising agencies; › Standardised quality marketing material produced centrally at the Global Head Office; › 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; and › Close monitoring of new client growth through budgets and management reports.
4	Pricing/tariff pressure from competitors lowering margins.	Loss of revenue and possibly clients due to loss of margin.	<ul style="list-style-type: none"> › Ongoing monitoring of margins and client financial analysis; › Gradual building of volumes and market share to lower buying rates and in turn selling rates; › Internal processes and experience when dealing with clients approached by competitors; › Focus on business model and value add so as to make the Group less likely to lose a client solely due to a quoted rate; › General measures to steer client away from the "rates chase" to a broader service offering; and › Staff awareness and training of staff in modern supply chain theory.
5	The risk of not meeting all investor expectations and the possible result of a loss of reputation due to adverse publicity.	Loss of reputation and investor confidence affecting share price and shareholder value.	<ul style="list-style-type: none"> › Ensuring consistent and strong financial performance; › Application of Group strategy as well as its culture and values; › Adherence to high levels of corporate governance, risk management and ethical business practices; and › Ongoing engagement and communication with stakeholders.

NO.	KEY RISK DESCRIPTION	POTENTIAL IMPACT ON VALUE CREATION	RISK RESPONSE & MITIGATION
6	Risk of not being able to raise funding/obtain credit facilities through financial institutions, suppliers or investors.	Cash flow constraints resulting in the inability to fund clients and the loss of revenue. Failure to meet financial commitments.	<ul style="list-style-type: none"> › Long-standing and established relationships with current funders; › Annual negotiation of facilities sufficient to meet Group funding requirements; › Constant Group profitability and improvement in key balance ratios; › Daily monitoring of Group cash flows at Head Office; › Significant focus on credit risk and the collection of the Debtor book, so as to ensure the quality of the Group's key asset used for securing funding facilities; › Monitoring of banking and funder's covenants; and › Identification of possible new funding opportunities or structures.
7	Risks inherent in the acquisition of new businesses.	Loss of capital or revenue due to failure to meet profit forecasts, overpayment of purchase price, misstatements/nondisclosure of liabilities by vendors resulting in the impairment of investment.	<ul style="list-style-type: none"> › Formalised and documented due diligence exercises undertaken by teams with industry experience and diverse skills; › Detailed review of summarised due diligence documents by main Board of Directors with extensive commercial experience; › Use of external legal and taxation advisors; and › Active involvement in the management of subsidiaries post acquisition.
8	Technology Innovation - delay in development of strategic client interface systems and/or the failure to develop/design/incorporate relevant industry related modules/functionality to client interface systems.	Loss of opportunity to add value to clients and to gain a competitive advantage over existing client interface systems offered by competitors. Loss of clients and revenue either due to a lack of client interface systems being unique differentiators in the market or due to client interface systems not being industry competitive.	<ul style="list-style-type: none"> › The supply chain solutions team (made up of technically skilled and experienced individuals) are charged with the day-to-day management of client interface systems and the specification and implementation of upgrades/new modules; › Utilisation of a combination of internal and external specialist IT personnel/developers to manage and develop client interface systems; › Periodic reviews and assessments of client interface systems by software specialists; › Group IT Risk Management Committee (made up of internal employees and external service providers with a wide range of skills and experience) provides oversight to this area of risk; and › Continued focus on the Group's cloud-based IT strategy to ensure reliability and improved speed of access for employees and clients.
9	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.	<ul style="list-style-type: none"> › Involvement of Audit & Risk Committee and Group Financial Director in all assessments; › Annual investment assessments by management presented to external auditors; › Organisation strategy is not capital asset intensive; and › The performance and documentation of upfront due diligences on potential acquisitions by qualified and experienced professional staff, with the assistance of external experts.
10	Failure to integrate employees and to educate them on, and ensure the adherence of, cultures, philosophies, values, ethics and standards - particularly during expansion and diversification into new regions and territories.	Loss as a result of a large range of possibilities predominantly in financial and reputational areas, including brand damage, poor service, loss of clients, fraud, corruption, fines and penalties, theft or destruction of company assets, release of confidential information, failure to embrace change, poor accounting reconciliation and poor debtor collection.	<ul style="list-style-type: none"> › All employees are contractually bound to respect the cultures, philosophies 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 reinforced constantly in the Group; › Periodic 'refresher' training is conducted on our cultures and values to reinforce the daily practice of these principles; and › Performance development reviews contain a large section on cultures and values performance management.

Our Key Inherent Risks continued

ANALYSIS OF OUR KEY INHERENT RISKS ON OUR CORE FOCUS AREAS

Our current Key Inherent Risks are summarised into the following categories:

CATEGORIES	RISK NO.				
STRATEGIC	3	4	7	8	10
FINANCIAL	1	6	9		
OPERATIONAL	2				
LEGAL & COMPLIANCE	5				



Our Key Inherent Risks impact our core focus areas as follows:

CORE FOCUS AREAS		RISK NO.					
STRATEGIC INITIATIVES	GROWTH – ORGANIC	2	3	4	5	6	
	GROWTH – ACQUISITIONS	1	5	6	7	9	
	DIVERSIFICATION	1	5	7	8		
	INNOVATION – TECHNOLOGY	2	5	8			
	INNOVATION – SUPPLY CHAIN	2	3	4	5	8	
	INNOVATION – TALENT POOL	2	3	5	7	10	
	OPERATING EFFICIENCY	2	4	5	6	7	9
SIX CAPITALS	INTELLECTUAL CAPITAL	2	3	4	8		
	HUMAN CAPITAL	2	3	5	7	10	
	SOCIAL & RELATIONSHIP CAPITAL	1	2	3	5	6	7
	FINANCIAL CAPITAL	1	4	5	6	7	9
	MANUFACTURED CAPITAL	1	7	9			
	NATURAL CAPITAL <i>(not material)</i>	N/A					
STAKEHOLDERS	SHAREHOLDERS	1	3	5	9		
	EMPLOYEES	2	3	7	10		
	FINANCIAL INSTITUTIONS <i>(Bankers & Credit Underwriters)</i>	1	5	6	7	9	
	CLIENTS	2	3	4	5	6	8
	SUPPLIERS <i>(Operational Suppliers, Agents & IT Service Providers)</i>	1	2	4	6	7	8
	GOVERNMENT & REGULATORS	1	6	7			
	COMMUNITIES	7					

How We Remunerate

1 BACKGROUND STATEMENT ON REMUNERATION

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-calibre 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.

As a result, 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, with the overall aim being to ensure that the remuneration policy promotes:

- › The achievement of the Group's four key medium- and long-term strategic initiatives of Growth, Innovation, Diversification and Operating Efficiency;
- › An ethical culture and responsible corporate citizenship in line with the Group's well entrenched Cultures and Values; and
- › The achievement of long-term sustainable growth and success of the Group through fair, responsible and transparent remuneration practices.

GOVERNANCE

The Remuneration Committee has responsibility for the oversight of the Group's remuneration policies and practices. The Committee is a formally constituted sub-committee of the Board which has delegated its authority in terms of a formally documented committee charter which is reviewed annually.

In line with best practice, membership of the Committee is comprised solely of independent non-executive directors. The Committee meets on at least two occasions during the financial year. The CEO attends Committee meetings as an invitee, but recuses himself from discussions relating to his personal performance and remuneration.

The Governance Review on pages 25 to 29 of this Annual Integrated Report contains details of the composition, meetings and mandate of the Remuneration Committee. The Committee did not engage any external remuneration consultants during the course of the past financial year.

COMMITTEE ACTIVITIES

Key areas of focus and key decisions taken by the Committee during the year include:

- › Reviewing and approving the annual overall guaranteed pay benchmark increases for all employees in the Group for the 2020 financial year, relative to current inflation levels and market practice within each region in which the Group operates internationally;

- › Specific approval of the annual guaranteed pay increases for the Executive Directors and Executive Committee members for the 2020 financial year, relative to current inflation levels and a benchmarking exercise as to current market remuneration practices for executives in South Africa;
- › Reviewing and approving the annual overall performance metrics and parameters for short term incentive payments for all employees of the Group for the 2018 financial period, relatively to the financial performance within each region in which the Group operates internationally;
- › Specific approval of the annual short-term incentive payments for the Executive Directors and Executive Committee members for the 2018 financial period, relative to individual role-based KPIs and overall Group financial performance;
- › Reviewing the current status and availability of unissued options of the Group's two long-term share option plans and approving:
 - The further issue of share options in terms of the Santova Share Option Scheme 2 to Executive Directors and senior management;
 - The further extension of the exercise period of the Santova Share Option Scheme 1 by extending the option expiry date by a further two years, taking the exercise period post vesting up to a total of six years;
- › Reviewing and approval of a revised version of the Group's formally documented Remuneration Policy;
- › Approving the once-off awarding of an incentive bonus in the form of fully paid up shares to certain high performing key employees as a long-term incentive;
- › Approval of a new Santova Long Service Awards policy for all employees of the Group internationally;
- › Reviewing the Committee Charter and Work Plan; and
- › Considering and approving an increase in Non-Executive Directors' fees as set out in the Notice of Annual General Meeting on page 48.

The Remuneration Committee is satisfied that its members are independent and objective and that the Group's Remuneration Policy has achieved its stated objectives during the current financial year. Areas of focus for the Board and Remuneration Committee for the coming year include:

- › To engage an external consultant to perform an independent review of the investment strategy, benefits and structure of the Group's Pension and Provident Funds in South Africa;
- › The implementation of a new Group-wide human resources software system that will act as a central database and facilitator of Group human resources international; and

- › To continue to enhance the Group's remuneration practices and disclosures to ensure they are in alignment with the principles of King IV and, in particular, to ensure that the remuneration of executive management is fair and responsible in the context of overall employee remuneration in the organisation.

The internal and external factors affecting the Group human resources practices and remuneration continue to be related to sourcing, development and retaining of high-quality talent within the logistics industry. As a business with a truly non-asset based consulting model within an industry that is typically asset intensive, the Group has embarked on a strategy over the past few years to improve the technical competence and abilities of its work force by building its employment brand and improving its remuneration practices.

STAKEHOLDER ENGAGEMENT

At the Company's Annual General Meeting held on 30 July 2018 shareholders were asked to vote on and approve two non-binding resolutions in terms of the recommendations of King IV. These resolutions enabled shareholders to express their views and to approve the Company's Remuneration Policy and Implementation Report as detailed in the 2018 Annual Integrated Report.

The results of that meeting were that more than 81% of shareholders present in person or by proxy voted in favour of the non-binding advisory endorsement of the Remuneration Policy and more than 99% of shareholders present in person or by proxy voted in favour of the Company's Implementation Report.

In terms of the requirements of King IV, should 25% or more of the votes cast annually at an Annual General Meeting be against one or both of the non-binding ordinary resolutions, the Company must undertake to engage directly with the shareholders concerned to ascertain the reasons why they voted against the resolutions and to seek external professional advice on how better to structure its Remuneration Policy and practices. Based on this feedback, the Company must then undertake to make recommendations to its Remuneration Committee.

As a result of the outcome at the 2018 Annual General meeting, there was no necessity for Santova to implement a formal plan of engagement with shareholders or stakeholders during the year with regards to its Remuneration Policy. However, senior executives of Santova do communicate regularly on an informal basis during the year with various shareholders, investors and analysts, during which discussions they receive feedback on its Remuneration Policy and any significant matters raised are passed on to the Remuneration Committee for consideration.

2 REMUNERATION POLICY OVERVIEW

GENERAL POLICY ON REMUNERATION

The Company has a formally documented Remuneration Policy which is available on the Company's website www.santova.com.

The Board is committed to fair and responsible remuneration within the Group, so as to promote the achievement of the Group's overall strategies across all levels of employees. To this end remuneration packages and incentives are offered and structured on an identical basis for all employees, senior management and executive directors, in each region in which the Group operates.

There is a formal annualised process whereby each employee is assessed on an individual basis and benchmarked against market remuneration levels in each region relative to the specific role occupied and responsibility assumed by the respective employee. Employees are assessed:

- › In comparison to employees in like roles across all operating regions so as to ensure consistency;
- › Against their performance in their specific roles; and
- › To the extent to which they have lived the culture and values of the Group.

In a formal annual process, the Group Executive Committee assesses each employee with regard to the award of:

- › Inflationary increases;
- › Annual bonuses;
- › Incentive awards; and

makes recommendations to the Remuneration Committee, which sets the parameters for annual increases and adjudicates senior management and executive director increases, bonuses and incentive awards.

The guaranteed remuneration component paid to executive directors and employees is based on industry benchmarks and targeted just below the median of the market for organisations of a comparable size. The Remuneration Committee has discretion to authorise the payment of a premium to the median for the attraction and retention of key personnel.

EXECUTIVE DIRECTORS' SERVICE CONTRACTS AND REMUNERATION

Executive 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.

How We Remunerate continued

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. There are no provisions in the employment contracts of executive directors that would give rise to payments or obligations on termination. In addition, no executive directors or senior management have received sign-on, retention or restraint payments.

The Chief Executive Officer ("CEO") conducts an annual review of the performance of all senior executives founded on established Key Performance Indicators ("KPIs") for each individual determined by his/her specific role. Based on the outcome of these reviews, the CEO then makes recommendations to the Remuneration Committee with regard to the awarding of short and long-term incentives and the determination of salary packages for the ensuing year. The Remuneration Committee evaluates the performance of the CEO based on his established KPIs and determines his salary package for the ensuing year and eligibility for short and long-term incentives.

NON-EXECUTIVE DIRECTORS' CONTRACTS

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 Board Charter requires that all directors who have served nine or more years on the Board retire annually at the Annual General Meeting. Each retiring director who is eligible and offers himself for re-election is then subject to re-election by shareholders.

NON-EXECUTIVE DIRECTOR REMUNERATION

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

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 from 1 August 2018 to 31 July 2019 were approved by shareholders at the Annual General Meeting held on 30 July 2018.

REMUNERATION MIX

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 performance-based targets and paid as short and long-term incentives. As a result, the Remuneration Committee has established a financial model to determine the short and long-term incentives that can be awarded to the CEO and Executive Committee members annually based on Performance Measures (six weighted financial and non-financial KPIs) and Performance Outcomes (three performance 'hurdles' being the achievement of "threshold" earnings, "on-target" earnings or "stretch" earnings).

The key Performance Outcome criteria used in this financial model to generate the resultant incentive allocations are:

- ▶ "Threshold" earnings levels: These are minimum levels requiring that the financial related KPIs need to be achieved at the same or higher levels than the previous financial year;
- ▶ "On-target" earnings levels: The financial performance that needs to be achieved to meet stakeholders' expectations and to achieve consistent long-term sustainable earnings. The CEO and Executive Committee members share proportionately in the on-target bonus pool and any additional bonus pool generated by earnings above "on-target" up to a maximum of the stretch level and such bonuses pool is paid 85% in the form of short-term cash incentives and 15% in long-term share option awards; and
- ▶ "Stretch" earnings: Are a maximum level that allows the CEO and Executive Committee members to be rewarded for exceptional performance above "on-target" earnings in any financial year. The stretch earnings level is the maximum level at which the CEO and Executive Committee members incentive remuneration is capped and allows the CEO and Executive Committees members to share in an additional bonus pool allocation of 35% of Group earnings above the "on-target" earnings level.

As part of the annual budget process, the Remuneration Committee will set the target earnings levels and for the 2019 financial year the following targets were set:

- ▶ "On-target" earnings: 5.15 times the monthly total cost to company of the CEO and Executive Committee members; and
- ▶ "Stretch" earnings: Financial performance of 30% above the threshold earnings level.

The graphs below demonstrate the potential achievable remuneration mix for the CEO and Executive Committee members assuming the achievement of "threshold", "on-target" or "stretch" KPIs for the 2019 Financial period:

CEO & Executive Committee members remuneration mix

	0%	50%	100%
Threshold	100%		
On-target	70%	25%	5%
Stretch	54%	39%	7%

■ Guaranteed ■ Short Term Incentives ■ Long Term Incentives

GUARANTEED REMUNERATION

Executive directors' fixed remuneration components are quantified on a 'total cost to company' basis ("TCC") and 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 public 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 includes death and disability cover; and
- › Contributions to the Group's medical healthcare scheme.

SHORT-TERM INCENTIVES

The Remuneration Committee aims to align the executive 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 culture and values, demonstrating the highest levels of corporate governance and ethical behaviour.

The remuneration model utilised by the Remuneration Committee to measure the achievement of the performance targets utilises six weighted financial and non-financial KPIs (Performance Measures) as listed below:

Performance Measures	Weight
1. Headline earnings per share	30.00%
2. Return on average shareholders funds	15.00%
3. Operating margins	10.00%
4. Earnings after tax	18.00%
5. Culture and values of the Group	13.00%
6. Duties and responsibilities	14.00%
	100.00%

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.

LONG-TERM INCENTIVES

The Group operates two Santova Share Option Schemes specifically approved by shareholder resolutions in 2012 and 2015 as a means of providing long-term incentives and retaining senior management and executive directors. Allocations from schemes are generally made on an annual basis, subject to the discretion of the Remuneration Committee.

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.

The following are the key features of the two schemes:

- › The total number of unissued shares, which may be utilised for purposes of Share Scheme No. 1 and Share Scheme No. 2 each, is 6,700,000 ordinary shares of no-par value in Santova Limited;
- › The maximum number of shares in respect of which an employee may hold options in terms of each scheme shall not exceed 2,685,500 of the issued shares of Santova Limited;
- › The option strike price will be determined with reference to the 30-day VWAP on the grant date;
- › The share options granted in terms of Share Scheme No. 1 have a vesting period of three years and the share options granted in terms of Share Scheme No. 2 have a vesting period of five years;
- › Employees will have to remain in the employment of the Group in order for the options to vest. Certain additional conditions will apply in the event of death or retirement of a participating employee prior to reaching a vesting period;

How We Remunerate continued

› The share options will need to be exercised within a period of six years (initially one year and now extended) in the case of Share Scheme No. 1 and three years in the case of Share Scheme No.2 of vesting and employees must exercise 100% of the options granted in each tranche; and

› On exercise of the share options in terms of Share Scheme No. 1 the employee will be paid a cash contribution equal to 50% of the cost of shares to be acquired at the option strike price. The contribution is paid specifically for the purpose of exercising the share options and will not be paid to the employee, but will be set off against the cost of the shares being acquired. The cash contribution will be fully taxable in terms of the Income Tax Act.

3 REMUNERATION POLICY IMPLEMENTATION REPORT

GUARANTEED REMUNERATION

Guaranteed remuneration is reviewed annually on 1 March and during the 2019 financial year the Remuneration Committee set the following overall guaranteed remuneration benchmark increases for the Group as a whole:

	2019/20 %	2018/19 %
South Africa	5.0	4.7
International Operations - Average across all regions	1.9	2.0

Guaranteed remuneration of executive directors and prescribed officers were increased by the Remuneration Committee as follows:

	2019/20 %	2018/19 %
Chief Executive Officer	5.0	5.0
Key Senior Executives	5.7	4.9

SHORT-TERM INCENTIVES

The CEO and Executive Committee members qualified to participate in a short-term incentive allocation as determined by the financial model and parameters detailed above in the remuneration policy overview.

Based on the actual results achieved by the Group for the 2018 financial period and the resultant scoring of the 6 key KPIs utilised by the model as detailed below, the CEO and Executive Committee members were deemed to have met "on-target" earnings with an overall score of 116% on a target of 100%. This in turn qualified the CEO and Executive Committee members to share proportionally in a bonus allocation pool of 5.99 times the monthly cost to company, of which 85% was paid in May 2018 as a cash short-term incentive bonus.

2018 FINANCIAL PERFORMANCE RATING SCORES

Performance Criteria	Weight	Threshold	Target	Stretch	Score	Actual Weighted Score
		0%	100%	200%	0-200%	
1. Headline earnings per share	30%	←	→	→	102%	31%
2. Return on average shareholders' funds	15%	←	→	→	96%	14%
3. Operating margins	10%	←	→	→	91%	9%
4. Earnings after tax	18%	←	→	→	100%	18%
5. Culture and values of the Group	13%	←	→	→	175%	23%
6. Duties and responsibilities	14%	←	→	→	150%	21%
	100%				Total	116%

EXECUTIVE DIRECTORS' REMUNERATION

The actual remuneration paid to the CEO and Executive Committee members during the 2019 financial period is as follows:

EXECUTIVE DIRECTORS' AND PRESCRIBED OFFICERS' 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
2019						
Executive directors						
DC Edley	1 751	308	2 059	736	1 963	4 758
GH Gerber	3 286	66	3 352	1 383	-	4 735
AL van Zyl	2 141	140	2 281	844	-	3 125
Prescribed officers						
G Fourie	1 413	288	1 701	630	-	2 331
AKG Lewis	1 279	162	1 441	529	-	1 970
	9 870	964	10 834	4 122	1 963	16 919
2018						
Executive directors						
DC Edley	1 670	291	1 961	943	-	2 904
GH Gerber	3 132	61	3 193	2 344	-	5 537
AL van Zyl	2 078	100	2 178	993	-	3 171
Prescribed officers						
G Fourie	1 361	264	1 625	479	335	2 439
AKG Lewis	1 213	154	1 367	628	-	1 995
	9 454	870	10 324	5 387	335	16 046

How We Remunerate continued

LONG-TERM INCENTIVES

A summary of share options granted, forfeited, exercised and still to be exercised by executive directors and the prescribed officers during the current financial year are set out below:

	Options as at 1 March 2018	Options awarded	Options lapsed	Options exercised	Options as at 28 February 2019	Option price (cents)	Vesting date	Expiry date
2019								
Executive directors								
DC Edley	450 000	-	-	450 000	-	85	30 Nov 2015	29 Nov 2021
	350 000	-	-	350 000	-	186	26 May 2017	25 May 2023
	168 649	-	-	-	168 649	415	22 Feb 2019	21 Feb 2025
	131 351	-	-	-	131 351	415	22 Feb 2021	21 Feb 2024
	-	136 000	-	-	136 000	298	18 May 2023	17 May 2026
	1 100 000	136 000	-	800 000	436 000			
GH Gerber	800 000	-	-	-	800 000	85	30 Nov 2015	29 Nov 2021
	500 000	-	-	-	500 000	186	26 May 2017	25 May 2023
	562 165	-	-	-	562 165	415	22 Feb 2019	21 Feb 2025
	437 835	-	-	-	437 835	415	22 Feb 2021	21 Feb 2024
	-	266 000	-	-	266 000	298	18 May 2023	17 May 2026
	2 300 000	266 000	-	-	2 566 000			
AL van Zyl	350 000	-	-	-	350 000	186	26 May 2017	25 May 2023
	168 649	-	-	-	168 649	415	22 Feb 2019	21 Feb 2025
	131 351	-	-	-	131 351	415	22 Feb 2021	21 Feb 2024
	-	151 000	-	-	151 000	298	18 May 2023	17 May 2026
	650 000	151 000	-	-	801 000			
Prescribed officers								
G Fourie	250 000	-	-	-	250 000	415	22 Feb 2021	21 Feb 2024
	-	102 000	-	-	102 000	298	18 May 2023	17 May 2026
	250 000	102 000	-	-	352 000			
AKG Lewis	199 000	-	-	-	199 000	85	30 Nov 2015	29 Nov 2021
	150 000	-	-	-	150 000	186	26 May 2017	25 May 2023
	253 537	-	-	-	253 537	415	22 Feb 2019	21 Feb 2025
	197 463	-	-	-	197 463	415	22 Feb 2021	21 Feb 2024
	-	110 000	-	-	110 000	298	18 May 2023	17 May 2026
	800 000	110 000	-	-	910 000			
	5 100 000	765 000	-	800 000	5 065 000			

	Options as at 1 March 2017	Options awarded	Options lapsed	Options exercised	Options as at 28 February 2018	Option price (cents)	Vesting date	Expiry date
2018								
Executive directors								
DC Edley	450 000	-	-	-	450 000	85	30 Nov 2015	29 Nov 2019
	350 000	-	-	-	350 000	186	26 May 2017	25 May 2021
	168 649	-	-	-	168 649	415	22 Feb 2019	21 Feb 2023
	131 351	-	-	-	131 351	415	22 Feb 2021	21 Feb 2024
	1 100 000	-	-	-	1 100 000			
GH Gerber	800 000	-	-	-	800 000	85	30 Nov 2015	29 Nov 2019
	500 000	-	-	-	500 000	186	26 May 2017	25 May 2021
	562 165	-	-	-	562 165	415	22 Feb 2019	21 Feb 2023
	437 835	-	-	-	437 835	415	22 Feb 2021	21 Feb 2024
	2 300 000	-	-	-	2 300 000			
AL van Zyl	350 000	-	-	-	350 000	186	26 May 2017	25 May 2021
	168 649	-	-	-	168 649	415	22 Feb 2019	21 Feb 2023
	131 351	-	-	-	131 351	415	22 Feb 2021	21 Feb 2024
	650 000	-	-	-	650 000			
Prescribed officers								
G Fourie	150 000	-	-	150 000	-	186	26 May 2017	25 May 2021
	250 000	-	-	-	250 000	415	22 Feb 2019	21 Feb 2024
	400 000	-	-	150 000	250 000			
AKG Lewis	199 000	-	-	-	199 000	85	30 Nov 2015	29 Nov 2019
	150 000	-	-	-	150 000	186	26 May 2017	25 May 2021
	253 537	-	-	-	253 537	415	22 Feb 2019	21 Feb 2023
	197 463	-	-	-	197 463	415	22 Feb 2021	21 Feb 2024
	800 000	-	-	-	800 000			
	5 250 000	-	-	150 000	5 100 000			

NON-EXECUTIVE DIRECTORS' REMUNERATION

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

	2019 Directors' fees R'000	2018 Directors' fees R'000
AD Dixon	382	267
ESC Garner	282	302
WA Lombard	494	416
EM Ngubo	216	172
	1 374	1 157

The Remuneration Committee recently undertook an assessment of market related non-executive directors' fees and have recommend an inflationary related increase of 5% to non-executive directors for the 2019/20 year. At the Annual General Meeting to be held on 29 July 2019, shareholders will be asked to pass a special resolution to approve such increase in the fees of non-executive directors and the proposed amounts are set out in the Notice of Annual General Meeting on page 48 of this Annual Integrated Report.

APPROVAL

This report was approved by the Remuneration Committee and the Board on 15 May 2019. The Remuneration Committee as well as the Board are satisfied that there were no material deviations from the remuneration policy during the 2019 financial year.

ESC Garner
Chairman

15 May 2019

Shareholder Analysis

	Number of Shareholders	%	Number of Shares	%
SHAREHOLDER SPREAD				
1 - 1 000 shares	1 425	30,91	512 324	0,32
1 001 - 10 000 shares	1 979	42,92	8 296 628	5,14
10 001 - 100 000 shares	1 040	22,55	32 578 657	20,19
100 001 - 1 000 000 shares	148	3,21	36 852 288	22,84
1 000 001 shares and over	19	0,41	83 121 148	51,51
Totals	4 611	100,00	161 361 045	100,00
DISTRIBUTION OF SHAREHOLDERS				
Banks/Brokers	40	0,87	32 429 410	20,10
Close Corporations	43	0,93	1 810 774	1,12
Endowment Funds	5	0,11	121 273	0,08
Individuals	4 156	90,13	84 366 713	52,28
Insurance Companies	4	0,09	640 000	0,40
Mutual Funds	9	0,20	8 550 536	5,30
Other Corporations	45	0,98	1 312 764	0,81
Private Companies	109	2,36	13 622 054	8,44
Retirement Funds	2	0,04	209 020	0,13
Treasury Stock	1	0,02	996 726	0,62
Trusts	197	4,27	17 301 775	10,72
Totals	4 611	100,00	161 361 045	100,00
PUBLIC / NON - PUBLIC SHAREHOLDERS				
Non - Public Shareholders	16	0	31 951 896	20
Directors of the company	15	0	30 995 170	19
Treasury Stock	1	0	996 726	1
Public Shareholders	4 595	100	129 409 149	80
Totals	4 611	100,00	161 361 045	100,00
BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE				
van Zyl, AL			18 208 106	11,35
Bank of New York (Custodian)			18 012 353	11,23
SIX SIS (Custodian)			6 050 000	3,77
Mahkulu Investments (Pty) Ltd			5 749 519	3,59
Gerber, GH			5 711 305	3,56
Totals			53 731 283	33,3

Directors' Shareholding Analysis

	2019 Number of Shares	%	2018 Number of Shares	%
DIRECTORS				
van Zyl, AL	18 208 106	11,28	18 208 106	11,36
Gerber, GH	5 711 304	3,54	1 588 829	0,99
Lloyd Investment Trust	1 501 329	0,93	1 501 329	0,94
Gerber, GH	4 209 975	2,61	87 500	0,05
Garner, ESC	640 682	0,40	540 682	0,34
Delmas Crushers cc	497 922	0,31	397 922	0,25
Sanlam Life Insurance Ltd	142 760	0,09	142 760	0,09
Dixon, AD	340 000	0,21	340 000	0,21
Edley, DC	174 700	0,11	174 700	0,11
Integrated Technologies (Pty) Ltd	174 700	0,11	174 700	0,11
Lombard, WA	101 972	0,06	101 972	0,06
Totals	25 176 764	15,60	20 954 289	13,08
SUBSIDIARY DIRECTORS				
Singh, R	-	-	3 109 160	1,94
Rajin Singh Family Trust	-	-	3 059 160	1,91
Singh, R	-	-	50 000	0,03
Sexton, DA	2 976 014	1,84	2 976 014	1,86
Heald, JE	2 021 233	1,25	2 021 233	1,26
Crews, GH	571 373	0,35	571 373	0,36
Crews, GH	262 373	0,16	262 373	0,16
Saxo Bank	309 000	0,19	309 000	0,19
Tolond, M	-	0,00	371 652	0,23
Boelens, VP	203 480	0,13	203 480	0,13
Notelovitz, L	81 833	0,05	81 833	0,05
Lewis, AKG	5 098	0,00	5 098	0,00
Totals	5 859 031	3,62	9 339 843	5,83
TREASURY STOCK (OWN HOLDINGS)				
Santova Financial Services (Pty) Ltd	996 726	0,62	996 726	0,62
Totals	996 726	0,62	996 726	0,62

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
2018	March	303	270	336	2 593 888	7 431 285
2018	April	300	271	248	1 552 838	4 519 538
2018	May	345	275	709	4 629 918	14 271 142
2018	June	375	335	597	4 545 095	16 110 843
2018	July	390	322	516	1 998 880	7 206 366
2018	August	450	360	557	2 428 753	9 939 772
2018	September	418	351	464	1 889 695	7 535 388
2018	October	385	275	582	2 500 514	8 323 961
2018	November	314	225	524	2 381 382	6 978 908
2018	December	323	277	296	1 691 648	5 063 690
2019	January	347	282	242	975 303	3 077 849
2019	February	299	247	707	1 827 116	4 930 990

MARKET DATA

		2019	2018
Traded price (cents per share)			
Close	cents per share	258	280
High	cents per share	450	336
Low	cents per share	225	270
Market capitalisation	rand	416 311 496	448 638 526
Value of shares traded	rand	95 389 732	164 180 610
Value traded as % of market capitilisation	percentage	22,91%	36,60%
Volume of shares traded	number of shares	29 015 030	51 694 854
Volume traded as % of number in issue	percentage	17,98%	32,26%
PE ratio	multiple	6,75	6,24
Dividend per share	cents per share	7,50	7,00
Dividend yield	percentage	2,91	2,5
Earnings yield	percentage	14,8%	16,0%
Period-end market price/NAV	ratio	0,82	1,08
Shares in issue shares	number of shares	161 361 045	160 228 045
Shares issued	number of shares	1 133 000	1 981 000
Number of shareholders	number	4 611	4 598
Treasury shares held	number of shares	996 726	996 726
Shares in issue net of treasury shares	number of shares	160 364 319	159 231 319
Capital and reserves	rand	502 257 991	416 172 125

Shareholders' Calendar

ACTIVITY	DATE
Financial year end	28 February 2019
Release of preliminary Group audited results on SENS	15 May 2019
Investor presentation in Johannesburg	16 May 2019
Investor presentation in Cape Town	17 May 2019
Dispatch of 2019 Annual Integrated Report - on or about	31 May 2019
Publication of 2019 Annual Financial Statements on the Group website	31 May 2019
Publication of 2019 corporate governance material on the Group website	31 May 2019
Publication of 2019 Social and Environment report on the Group website	31 May 2019
2019 Annual General Meeting - 12 noon	29 July 2019
Release of interim statements for the six months ending 31 August 2019	October 2019

CASH DIVIDEND

Last day to trade cum dividend	26 June 2019
Shares trade ex-entitlement	27 June 2019
Record date for the dividend	29 June 2019
Payment date for dividend	2 July 2019

Share certificates may not be dematerialised or rematerialised between Wednesday, 26 June 2019 and Friday, 28 June 2019, both dates inclusive.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN to shareholders as recorded in the Company's securities register on Friday, 19 July 2019 that the Annual General Meeting of the shareholders of Santova Limited will be held in the Ridgeside Boardroom, 3rd Floor, 53 Richefond Circle, Ridgeside Office Park, Umhlanga Ridge, 4319 on Monday, 29 July 2019 at 12 noon 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 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 2019 (as approved by the Board of Directors of the Company), including the Directors' Report, the Report of the Auditors, Report of the Audit and Risk Committee and the report of the Social and Ethics Committee, to be presented to shareholders.

The percentage of voting rights required for ordinary resolutions numbers 1 to 12 to be adopted is 50% (fifty percent) or more of the voting rights exercisable on these resolutions.

1. RE-ELECTION OF DIRECTORS

The Board of the Company ("The Board") has assessed the performance and independence of each of the directors retiring at this Annual General Meeting and believes each of them exercises objective judgement, is independent and the Board recommends to shareholders the re-election of each of the retiring directors as set out in ordinary resolutions 1.1, 1.2.1 and 1.2.2. Brief profiles of each of the retiring directors may be found on page 23 of this Annual Integrated Report.

1.1 ORDINARY RESOLUTION NUMBER 1 – RETIREMENT DUE TO ROTATION

The following non-executive director retires by rotation in terms of clause 14.2 of the Company's Memorandum of Incorporation ("MOI") and, being eligible offers himself for re-election:

"Resolved that Ernest Mbusowenkosi Ngubo, who retires by rotation in terms of the Company's MOI and, being eligible, offers himself for re-election, be and is hereby re-elected as a non-executive director of the Company."

1.2 RETIREMENT DUE TO LENGTH OF SERVICE

The following two non-executive directors, who have served for longer than nine years, retire in terms of the Company's Board Charter which requires that all directors who have been on the Board for more than nine years retire every year at the Annual General Meeting. Being eligible, both directors have offered themselves for re-election. Each director must be re-appointed by way of a separate resolution:

1.2.1 ORDINARY RESOLUTION NUMBER 2 – ESC GARNER

"Resolved that Edward Sephton Clayton Garner, who has served for longer than nine years and retires in terms of the Company's Board Charter and, being eligible, offers himself for re-election, be and is hereby re-elected as a non-executive director of the Company."

1.2.2 ORDINARY RESOLUTION NUMBER 3 – WA LOMBARD

"Resolved that Warwick Adrian Lombard, who has served for longer than nine years and retires in terms of the Company's Board Charter and, being eligible, offers himself for re-election, be and is hereby re-elected as a non-executive director of the Company."

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."

2.1 ORDINARY RESOLUTION NUMBER 4 – Warwick Adrian Lombard

2.2 ORDINARY RESOLUTION NUMBER 5 – Anthony David Dixon

2.3 ORDINARY RESOLUTION NUMBER 6 – Edward Sephton Clayton Garner

Explanatory note to ordinary resolutions numbers 4-6

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 resolutions numbers 4 to 6 above appear on page 23 of this Annual Integrated Report.

3. ORDINARY RESOLUTION NUMBER 7 – APPOINTMENT OF MOORE STEPHENS MWM INC AS INDEPENDENT AUDITORS AND THE APPOINTMENT OF CA WHITEFIELD AS REGISTERED AUDIT PARTNER OF THE COMPANY

“That the appointment of Moore Stephens MWM Inc, as recommended by the Company’s Audit and Risk Committee, as independent auditors of the Company, and the appointment of CA Whitefield as the registered partner, to hold office until the conclusion of the next Annual General Meeting of the Company, be and are hereby approved.”

Motivation for ordinary resolution number 7

A full explanation of the reasons for the change of auditor from Deloitte and Touche to Moore Stephens is set out in the Report of the Audit and Risk Committee on page 3.

4. NON-BINDING ADVISORY VOTES ON THE COMPANY’S REMUNERATION POLICY AND IMPLEMENTATION REPORT

Principle 14 and sub-practice 37 of King IV recommends that companies present their Remuneration Policy and Implementation Report every year to shareholders at the Annual General Meeting for a non-binding advisory vote. This vote enables shareholders to express their views on the remuneration policy adopted and on its implementation. These resolutions are of an advisory nature only and failure to pass this resolution will therefore not have any legal consequences relating to existing arrangements. However, the Board of Directors of the Company will take the outcome of the vote into consideration when reviewing the Company’s Remuneration Policy.

Shareholders are reminded that in terms of King IV, should 25% (twenty-five percent) or more of the votes cast be against one or both of the non-binding ordinary resolutions, the Company undertakes to engage with shareholders as to the reasons therefore and undertakes to make recommendations to the Remuneration Committee based on the feedback received.

4.1 ORDINARY RESOLUTION NUMBER 8 – REMUNERATION POLICY

“That the Company’s remuneration policy for the financial year ended 28 February 2019, as set out in the Remuneration Report on pages 36 to 43 of the Annual Integrated Report of which this notice forms part, be and it is hereby approved through a non-binding advisory vote in accordance with the JSE Listings Requirements and the recommendations of King IV.”

4.2 ORDINARY RESOLUTION NUMBER 9 – IMPLEMENTATION REPORT

“That the Company’s Implementation Report, as set out in the Remuneration Report on page 40 of the Annual Integrated Report of which this notice forms part, be and it is hereby approved through a non-binding advisory vote in accordance with the JSE Listings Requirements and the recommendations of King IV.”

5. ORDINARY RESOLUTION NUMBER 10 – 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 10.

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 resolution number 11 and special resolutions numbered 1 to 4 to be adopted is 75% (seventy-five percent) or more of the voting rights exercisable on these resolutions.

Notice of Annual General Meeting

continued

6. ORDINARY RESOLUTION NUMBER 11 - 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 the authorised but unissued ordinary shares in the capital of the Company up to a number that equates to 30% (thirty percent) of the issued share capital or 48 408 314 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 30% (thirty 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 30% (thirty percent) 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 (fifteen) 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% (ten percent) of the weighted average traded price of such equity securities measured over the 30 (thirty) 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 (thirty) business-day period;
- › 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% (seventy-five percent) 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 2019, 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	R529 500 ¹
Non-executive directors	R18 000 ²
Audit and Risk Committee	
Chairman	R32 500 ²
Member	R15 000 ²
Remuneration and Nominations Committee	
Chairman	R20 000 ²
Member	R11 500 ²
Social and Ethics Committee	
Chairman	R20 000 ²
Member	R11 500 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.

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, 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.

Notice of Annual General Meeting

continued

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 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 percent) of the number of securities in issue prior to the repurchases and for each 3% (three percent), 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 2018 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 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.

11. ORDINARY RESOLUTION NUMBER 12 – 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 resolutions numbers 1 to 11 and special resolutions numbers 1 to 4."

Notice of Annual General Meeting

continued

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 canceling 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, 16 July 2019.
- › The record date in order to be eligible to vote at the Annual General Meeting will be Friday, 19 July 2019.

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 +27 31 765 4989.

ELECTRONIC PARTICIPATION

Shareholders (or their proxies) may participate (but not vote) electronically in the Annual General Meeting. Shareholders (or their proxies) wishing to participate in the Annual General Meeting by electronic means should contact the Group Financial Manager on +27 31 521 0160 at least 5 (five) business days prior to the Annual General Meeting. Access to the Annual General Meeting by way of electronic participation will be at the shareholder's expense. Only persons physically present at the meeting or represented by a valid proxy will be entitled to cast a vote on any matter put to shareholders for a vote.

By order of the board

15 May 2019

J A Lupton, FCIS
Company Secretary

Registered Office:
Santova House
88 Mahatma Gandhi Road
Durban
4001

Form of Proxy



SANTOVA LIMITED

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

For use at the Annual General Meeting of the Company to be held in the Ridgeside Boardroom, 3rd Floor, 53 Richefond Circle, Ridgeside Office Park, Umhlanga Ridge, 4319 on Monday, 29 July 2019 at 12 noon 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 Work: _____

Cellphone Number: _____ Email: _____

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 – Re-election of EM Ngubo retiring as a director by rotation.			
2.	Ordinary resolution number 2 – Re-election of ESC Garner retiring as a director due to length of service.			
3.	Ordinary resolution number 3 – Re-election of WA Lombard retiring as a director due to length of service.			
4.	Ordinary resolution number 4 – Re-election of WA Lombard as a member of the Audit and Risk Committee			
5.	Ordinary resolution number 5 – Re-election of AD Dixon as a member of the Audit and Risk Committee.			
6.	Ordinary resolution number 6 – Re-election of ESC Garner as a member of the Audit and Risk Committee.			
7.	Ordinary resolution number 7 – Election of Moore Stephens MWM Inc as independent auditors and appointment of C Whitefield as registered audit partner.			
8.	Ordinary resolution number 8 – Non-binding advisory vote on the Company's Remuneration Policy.			
9.	Ordinary resolution number 9 – Non-binding advisory vote on the Company's Remuneration Policy-Implementation Report.			
10.	Ordinary resolution number 10 – Shares to be placed under control of the directors.			
11.	Ordinary resolution number 11 – General authority to issue shares for cash			
12.	Special resolution number 1 – Approval of non-executive directors' remuneration.			
13.	Special resolution number 2 – General authority to provide financial assistance in terms of Section 44.			
14.	Special resolution number 3 – General authority to provide financial assistance in terms of Section 45.			
15.	Special resolution number 4 – General authority to buy back own shares.			
16.	Ordinary resolution number 12 – 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 _____ 2019

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 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, 4000 (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 12 noon on Monday, 29 July 2019 in the Ridgeside Boardroom, 3rd Floor, 53 Richefond Circle, Ridgeside Office Park, Umhlanga Ridge, 4319 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

WA Lombard (Chairman)

AD Dixon

ESC Garner

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, South Africa

JSE SPONSOR

River Group

Unit 2, 211 Kloof Street,

Waterkloof, Pretoria 0145

GROUP AUDITOR

Moore Stephens

50 Oxford Road, Parktown,

Johannesburg, 2193 South Africa

SHARE REGISTRAR

Computershare Investor Services (Pty) Ltd

PO Box 61051, Marshalltown, 2107, South Africa

INVESTOR RELATIONS

Contact Persons

GH Gerber (Chief Executive Officer)

DC Edley (Group Financial Director)

Email Address

investor@santova.com

Contact number

+27 31 521 0160

SANTOVA GLOBAL HEAD OFFICE & REGISTERED OFFICE

Physical address

3rd Floor, 53 Richefond Circle,

Umhlanga Ridge, 4319, South Africa

Postal address

PO Box 6148, Durban, 4000

Registered Office

Santova House, 88 Mahatma Gandhi Road,

Durban, 4000, South Africa

Contact number

+27 31 521 0160

CORPORATE BANKERS

Nedbank Limited

PO Box 1144,

Sandown, 2196, South Africa



INNOVATIVE SOLUTIONS • ENDLESS POSSIBILITIES

**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 inter-connected 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

Tel: +27 31 374 7000
Email: enquiries@santova.com
www.santova.com