

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to what action to take, you should consult your CSDP, broker, banker, attorney, accountant or other appropriate professional adviser immediately.

The definitions and interpretation set out in **Annexure 1** to this document apply, *mutatis mutandis*, to this entire document (but not to the scheme of arrangement commencing on page 16 and the notice of scheme meeting attached hereto, which contain their own definitions).

Action required

If you have disposed of all your Santam shares, please forward this document to the purchaser of such shares or to the broker, banker, or other agent through whom you disposed of such shares.

The action required by Santam shareholders is set out in the section commencing on page 9 of this circular.



Santam Limited

(Incorporated in the Republic of South Africa)

(Registration number 1918/001680/06)

JSE share code: SNT NSX share code: SNM

ISIN: ZAE000006854

("Santam" or "the Company")

CIRCULAR TO SANTAM SHAREHOLDERS

relating to a broad-based black economic empowerment ownership initiative to be implemented by way of a scheme of arrangement in terms of section 311 of the Companies Act proposed by BEE SPV Co between Santam and its shareholders, other than the Santam Subsidiary, in terms of which BEE SPV Co will acquire an aggregate of 10% of Santam's shares following settlement of the repurchase offer and the Sanlam offer, from all Santam shareholders, on a *pro rata* basis, for a consideration of R82 per Santam share and incorporating:

- the explanatory statement in terms of section 312(1)(a)(i) of the Companies Act;
- the provisions of the scheme of arrangement in terms of section 311 of the Companies Act (*yellow*);
- the Order of Court convening the scheme meeting (*yellow*);
- a valuation statement in terms of section 312(1)(a)(ii) of the Companies Act;
- a statement of directors' interests in terms of section 312(1)(a)(iii) of the Companies Act;
- additional information in respect of the scheme and the general meeting;
- the notice of scheme meeting (*yellow*);
- a proxy form (*pink*) for the scheme meeting (for use by certificated scheme participants and own-name dematerialised scheme participants only);
- notice of general meeting (*green*);
- a proxy form (*green*) for the general meeting (for use by certificated shareholders and own-name dematerialised shareholders only); and
- a form of surrender (*blue*) to be completed by certificated scheme participants only.

26 March 2007

Merchant bank and transaction sponsor



A division of FirstRand Bank Limited

Sponsor



Investec Bank Limited
(Registration number 1969/004763/06)

Attorneys



Sponsor in Namibia



SANTAM CORPORATE INFORMATION AND ADVISERS

Group secretary and registered office

S Bray
BA (Law), LLB, MDP
1 Sportica Crescent
Tyger Valley
Bellville, 7530
South Africa
(PO Box 3881, Tyger Valley, 7536)

Sponsor in Namibia

Simonis Storm (Proprietary) Limited
(Registration number 96/421)
152 Robert Mugabe Avenue
Windhoek
Namibia
(PO Box 3970, Windhoek, Namibia)

Merchant bank and transaction sponsor

Rand Merchant Bank
(A division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Fredman Drive and Rivonia Road
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146)

Transfer secretaries

Computershare Investor Services 2004
(Proprietary) Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
South Africa
(PO Box 61051, Marshalltown, 2107)

Attorneys

Jowell Glyn & Marais Inc.
(Registration number 1990/000849/21)

Cape Town:

5th Floor, The Foundry
Prestwich Street
Green Point, 8005
South Africa
(PO Box 884, Green Point, 8151)

and

Johannesburg:

4th Floor, Jowell Glyn & Marais House
72 Grayston Drive
Sandton, 2196
South Africa
(PO Box 652361, Benmore, 2010)

Copies of this circular may be obtained from the registered offices of Santam, the merchant bank and transaction sponsor and the transfer secretaries whose addresses are set out in the "Santam Corporate Information and Advisers" section on the inside front cover of this document.