

## Santova Limited

### Summary Table of King III Practices Not Applied or Partially Applied as at 29 February 2016

| Main Category | Sub Category   | Practice  | Explanation   | Status                |
|---------------|----------------|---|---|-----------------------|
| Chapter 9     | Principle 9.3  | Sustainability reporting is either not independently assured or a formal assurance process has not been established, or both.   | The Sustainability Report has not been externally assured, as the Board feels that stakeholders would not gain material additional benefit from such assurance, considering the nature of the Group's operations and its limited impact on the environment and society in which it operates.  | Not applied           |
| Chapter 9     | Principle 9.3  | The integrated report does not disclose one or both of the following:- scope and methodology of independent assurance of the sustainability report; - the name of the assurer.                            | The Sustainability Report has not been externally assured, as the Board feels that stakeholders would not gain material additional benefit from such assurance, considering the nature of the Group's operations and its limited impact on the environment and society in which it operates.  | Not applied           |
| Chapter 3     | Principle 3.4  | The audit committee does not evaluate both the independence and quality of the providers of external assurance on sustainability.   | The Sustainability Report has not been externally assured, as the Board feels that stakeholders would not gain material additional benefit from such assurance, considering the nature of the Group's operations and its limited impact on the environment and society in which it operates.  | Not applied           |
| Chapter 3     | Principle 3.7  | The audit committee does not ensure that the internal audit function goes through an independent quality review in line with Institute of Internal Auditors' standards or whenever it may be appropriate. | The Group does not have a fully fledged internal audit department as envisaged by King III as the Board of Directors does not believe that, at this stage in the Group's development, a fully-fledged independent internal audit function is justified. Please refer to the Report of the Audit and Risk Committee as contained in the 2016 Annual Integrated Report for an explanation as to how the board ensures adequate assurance is obtained. | Not applied           |
| Chapter 2     | Principle 2.24 | A governance framework between the group and its subsidiary boards is not in place.   | As the majority of company's subsidiaries are wholly owned there is no formal framework and the holding company board and committees oversee the governance of the subsidiary boards.   | Partially applied     |
| Chapter 3     | Principle 3.7  | The audit committee does not oversee the cooperation between external and internal audit to avoid overlap of audit scope.   | As detailed the Audit and Risk Committee Report, the company does not engage a Chief Audit Executive or have a separate internal audit department, but ensures that the scope of internal audit work and external audit work does not overlap.  | Partially not applied |