

SANTOVA LIMITED

Summary Table of King III Practices Not Applied or Partially Applied - 28 February 2017

Main Category	Sub Category	Practice	Status	Explanation
Chapter 2	Principle 2.24	A governance framework has been agreed upon between the group and its subsidiary Boards	Partially applied	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.
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.	Not applied	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 2017 Annual Financial Statements for an explanation as to how the board ensures adequate assurance is obtained.
Chapter 3	Principle 3.7	The audit committee should be responsible for overseeing internal audit	Partially not applied	Refer 3.7 above
Chapter 7	Principle 7.1	The Board should ensure that there is an effective risk based internal audit.	Not applied	Refer 3.7 above
Chapter 7	Principle 7.2	Internal Audit should follow a risk based approach to its plan.	Not applied	Refer 3.7 above
Chapter 7	Principle 7.3	Internal Audit should provide a written assessment of the effectiveness of the company's system of internal controls and risk management.	Not applied	Refer 3.7 above
Chapter 7	Principle 7.5	Internal audit should be strategically positioned to achieve its objectives.	Not applied	Refer 3.7 above