

**Nutritional Growth Solutions Ltd**  
**Corporate Governance Statement**  
**2020**

The Board of Nutritional Growth Solutions Limited is committed to conducting its business in accordance with the highest standards of corporate governance to create and deliver value for NGS Shareholders. The Board has established a corporate governance framework, including corporate governance policies, procedures and charters to support this commitment. The framework is reviewed regularly and revised in response to changes in laws, developments in corporate governance and changes to NGS business. A copy of these charters, procedures and policies is available on the Investors page under the header, "Corporate Governance" at NGS website, [www.ngsolutions.co](http://www.ngsolutions.co)

This Statement is current as at 18 March, 2021 and has been approved by the Board.

As required by the ASX Listing Rules, this Statement discloses the extent to which NGS has followed the third edition of the ASX Corporate Governance Council's Principles and Recommendations (ASX Principles). Except where otherwise explained, NGS followed the ASX Principles during the period. This Statement should be read in conjunction with the material on our website ([www.ngsolutions.co](http://www.ngsolutions.co)), including the 2020 Annual Report.

The eight ASX Principals and NGS position in respect of each of them, are set out below:

## **PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

### **Roles & Responsibilities**

The Board is responsible for the overall management and strategic direction of the Company and for delivering accountable corporate performance in accordance with the Company's goals and objectives.

The Board has adopted a formal Board Charter that details the Board's role, authority, responsibilities, membership and operations and is available on our website under Investors in our **Corporate Governance Policy**.

The Board Charter sets out the matters expressly reserved to the Board and those delegated to management.

The Board delegates responsibility for the day-to-day management of the Chief Executive Officer (or equivalent), but retains responsibility for the overall strategy, performance and governance of NGS. The Chief Executive Officer, under a 'delegations of authority' then delegates authority to the appropriate senior managers across the organisation.

### **Appointment, Induction and Training**

The Nomination and Remuneration Committee is responsible for the selection and recommendation of new appointments of Directors. Appropriate checks are undertaken prior to appointing a new Director including criminal and bankruptcy history. Information about a candidate standing for election or re-election as a Director is provided to security holders via the Notice of Meeting and the information contained in the Annual Report.

Upon appointment, each Director receives a letter of appointment which sets out the terms of their appointment; along with a deed of indemnity, insurance and access and an induction pack

containing information on the Company's vision, values, strategy, governance and risk management frameworks.

Directors are provided with the opportunity to participate in professional development, to develop and maintain the skills and knowledge needed to effectively perform their role as Directors.

### **Diversity**

The Company is committed to diversity and recognises the benefits arising from employee and board diversity and the importance of benefiting from all available talent. The Company has not yet developed a diversity policy.

A priority action is to develop a measured Diversity Policy to create an inclusive culture, create a flexible working culture and focus on gender diversity and to establish measurable diversity objectives. The Board will seek to develop a reporting framework in the future, to report the Company's progress against the objectives and strategies for achieving a diverse workplace; which can be used as a guide to be used by the Company to identify new Directors, senior executives and employees.

The respective proportion of men and women employees across the whole organisation is 50% and 50%. Currently, the Board comprises six members, two of whom are women. The respective proportions of men and women in senior executive positions (The Senior Leadership Team) is 80% and 20%.

### **Performance Evaluation**

The Nomination and Remuneration Committee is charged with periodic review of the job description and performance of the Chief Executive Officer, according to agreed performance parameters and with board and board committee membership, succession planning and performance evaluation, as well as board member induction, education and development. The Group has adopted policies and procedures concerning the evaluation and development of its Directors, executives and Board Committee. Procedures include an induction protocol and a performance management system for the Board and its Directors. Each Board Committee also formally reports to the Board annually on its operations in the context of its remit. No formal performance evaluation of the Board in respect of the year ended 30 December 2020 has taken place during the period.

The Nomination and Remuneration Committee conducts an annual review of the performance of the Chief Executive Officer (or equivalent) with oversight reviews of the senior executives reporting directly to the Chief Executive Officer. The performance of the Chief Executive Officer (or equivalent) and other senior executives is measured against pre-defined financial, safety and personal based KPI's. The performance evaluation of the Chief Executive Officer and other senior executives in respect of the year ended 31 December has not taken place. The Nomination and Remuneration Committee will set her KPIs for FY2021 and conduct a performance review in FY2021.

## PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

### Nomination and Remuneration Committee

The Board has a Nomination and Remuneration Committee comprised of the following members throughout the year. Further details of the committee members' experience and qualifications are contained on the Company's website at <https://ngsolutions.co/about/>.

Name	Position
Dr. Kinneret Livnat Savitzky	Chairman of Committee & Independent (and external) Non-Executive Director, appointed (and appointed Chairman of Committee) on September 6, 2020
Dr. Anton Uvarov	Independent Non-Executive Director, appointed on September 6, 2020
Mr. Amir Zaidman	Independent (and external) Non-Executive Director, appointed on September 6, 2020

The Committee comprises of three Non-Executive Board Members, all of whom are Independent. No meetings have been held since the formation of the Committee in September 2020.

A summary of the Nomination and Remuneration Committee's terms of reference is publicly available on the Group's website under Investors in our **Corporate Governance Policy**.

### Board Skills and Experience

NGS objective is to have an appropriate mix of skills, expertise, and experience on our Board to effectively discharge the duties of the Board and its Committees. This mix is outlined in the skills matrix below. Each of these areas is currently well represented by the Board. Details of the skills, experiences and expertise of each Director are set out in the Director's Report in the 2020 Annual Report.

Expertise	Industries	Markets
Leadership	Biotechnology	Pediatrics
Professional Services	Healthcare	Nutrition
Commercial & Legal	Pharmaceuticals	Food-Tech
Financial and Accounting Knowledge	Life Science	
	Capital Markets	
Strategy		
Risk Management		
Biochemistry		
Drug Discovery		
Venture Capital		
Transaction Structuring		
Mergers & Acquisitions		
Technology		

## Independence

The Board has considered the guidance to Principle 2.3 of the ASX Principles and in particular the relationships affecting the independent status of Directors. In its assessment of independence, the Board considers all relevant facts and circumstances. Relationships that the Board will take into consideration when evaluating independence are whether a Director:

- is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- is employed, or has previously been employed in an executive capacity by the Company or another Company member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- has within the last three years been a principal of a material professional advisor or a material consultant to the Company or another Company member, or an employee materially associated with the service provided;
- is a material supplier or customer of the Company or other Company member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has a material contractual relationship with the Company or another Company member other than as a Director;
- has close family ties with any person who falls within any of the categories described above; or
- has been a Director of the entity for such a period that his or her independence may have been compromised.

The assessment of whether a Board member is independent is a matter of judgement for the Board as a whole and includes concepts of materiality. In the context of independence, materiality is considered from both a quantitative and qualitative perspective. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of an appropriate base amount. Qualitative factors considered include the nature of the relationship or contractual arrangement and factors that could materially interfere with the independent exercise of the director's judgement. In accordance with the definition of independence above and the materiality thresholds, the following Directors who held office during the reporting period of NGS are considered to be independent. Dr. Kinneret Livnat Savitzky and Mr. Amir Zaidman are also considered external directors under the Israeli Companies Law.

<b>Name</b>	<b>Position</b>
<b>Brian Leedman</b>	<b>Non-Executive Chairman</b>
<b>Dr Kinneret Livnat Savitzky</b>	<b>Non-Executive Director</b>
<b>Dr Anton Uvarov</b>	<b>Non-Executive Director</b>
<b>Mr Amir Zaidman</b>	<b>Non-Executive Director</b>

The Board recognises the ASX Recommendations that the majority of the Board should be comprised of independent Directors and the chair should be an independent Director. The Company complies with the Independent chair recommendation, however does not have a majority of independent Directors on the Board.

Prof Raanan Shamir have an interest and position of the type described in Box 2.3 of ASX Principle 2.3 and hence has been classified as a Non-Independent Director. Prof Raanan Shamir is employed in an executive capacity.

The Board is of the opinion that Prof Raanan Shamir position held does not compromise the independence of this director and the Board is comfortable that this director has the capacity to bring an independent judgment to bear on issues put before the Board and act in the best interests of the entity and its security holders generally.

### **PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY**

#### **Ethical Standards**

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment.

#### **Conflict of Interest**

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has developed procedures to assist Directors to disclose potential conflicts of interest. This matter is a standing agenda item at each Board meeting.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Each director is required by the Company to declare, on an annual basis, the details of any financial or other relevant interest they may have in the Company. There are procedures in place to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

#### **Code of Conduct**

The Group has developed a code of conduct which states the commitment of the Group and its employees to the conduct of its business with employees, customers, funders, retailers and other external parties.

The Code of Conduct is directed at maintaining high ethical standards and integrity. Employees are expected to adhere to the Group's policies, perform their duties diligently, properly use Group resources, protect confidential information and avoid conflicts of interest. During the period the Group expanded its Code of Conduct to include a Whistleblower Policy and an Anti-bribery and Corruption Policy.

The Code is acknowledged by all employees and is publicly available on the Group's website under Investors in our Corporate Governance Policy.

#### **PRINCIPLE 4: SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

##### **Audit & Risk Committee**

While the Board has overall responsibility for the establishment and oversight of the risk management framework, the Board has established the Audit & Risk Committee, which is responsible for approving and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

A summary of the Audit & Risk Committee's terms of reference is publicly available on the Group's website under Investors in our Corporate Governance Policy.

The Committee comprises of three Non-Executive Board Members, all of whom are Independent and is chaired by an Independent Director. No meetings have been held since the formation of the Committee in September 2020.

Full details of the committee member's qualifications and experience are contained the on the Company's website at <https://ngsolutions.co/about/>. The members of the Audit & Risk Committee throughout the year were as follows.

<b>Name</b>	<b>Position</b>
<b>Mr Amir Zaidman</b>	Chairman of Committee & Independent (and external) Non-Executive Director of Company
<b>Dr Kinneret Livnat Savitzky</b>	Independent (and external) Non-Executive Director of the Company
<b>Dr Anton Uvarov</b>	Independent Non-Executive Director of the Company

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##### **CEO & CFO Declaration**

The Chief Executive Officer and the Chief Financial Officer have provided assurance, in writing to the board, that financial records of the Group have been properly maintained in accordance with the Companies Law; that the financial statements and the notes for the financial year present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards and is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and that the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

##### **External Auditor**

NGS external auditor, BDO, is invited to Audit & Risk Committee meetings and attends the AGM where they are available, to answer questions from security holders relevant to the audit.

#### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

The board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Group's securities, notifying them to the ASX, posting them on the Group's website, and issuing media releases. More details of the policy are available on the Group's website under Investors in our Corporate Governance Policy.

## **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

NGS communicates with shareholders in a transparent, regular and timely manner to ensure the market has sufficient information to make informed investment decisions. NGS investor relations programme includes:

- Actively engaging security holders at the AGM, promoting two-way interaction with shareholders, by encouraging security holder articulation during the AGM, including encouraging questions
- Issuing regular Company Updates
- Sending and receiving security holder communications electronically both from NGS and via NGS Share Registry
- Maintaining the NGS website, including posting all announcements, reports, notice of meetings and governance information
- Engaging in scheduled interactions with institutional investors and analysts
- Meeting with security holders upon request
- Response to direct queries from time to time
- Ensuring continuous disclosure obligations are understood across the NGS business

## **PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

### **Audit & Risk Committee**

A summary of the Group's Audit & Risk Committee terms of reference is publicly available on the Group's website under Investors in our Corporate Governance Policy.

The Committee oversees the effectiveness of the Company's risk management and internal framework on behalf of the Board. The committee comprises of three Non-Executive Board Members, the majority of whom are Independent and is chaired by an Independent Director. Details of the member's qualifications and experience are contained on the Company's website at <https://ngsolutions.co/about/>. The members of the Audit & Risk Committee throughout the year were as follows.

<b>Name</b>	<b>Position</b>
<b>Mr Amir Zaidman</b>	Chairman of Committee & Independent (and external) Non-Executive Director of Company
<b>Dr Kinneret Livnat Savitzky</b>	Independent (and external) Non-Executive Director of the Company
<b>Dr Anton Uvarov</b>	Independent Non-Executive Director of the Company

The Committee comprises of three Non-Executive Board Members, all of whom are Independent and is chaired by an Independent Director. No meetings have been held since the formation of the Committee in September 2020.

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## **Risk management and internal control**

NGS has not yet formally established a risk management and internal control system that describes the structure and activity requirements to give effect to the Company's risk management and internal control policy. NGS is focused on incorporating risk management into its decision making and business planning processes to ensure timely identification and management of material risks and has appointed an Internal Auditor to manage this process. A review of the system will be undertaken by the Board and the Audit & Risk Committee in FY2021.

### **Internal Audit**

The Board has determined that, an internal audit function is required and an Internal Auditor has been appointed subsequent to the year end. The Internal Auditor will commence with a risk survey upon which he will propose a three-year internal audit plan for the Committee to approve.

### **Economic, Environmental and Social Risks**

NGS key risks, together with our approach to managing those risks are outlined in the 2020 Annual Report and the Prospectus.

## **PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

### **Nomination and Remuneration Committee**

The Board has a Nomination and Remuneration Committee comprised of the following three members throughout the year. Details of their experience and qualifications are contained on the Company's website at <https://ngsolutions.co/about/>.

<b>Name</b>	<b>Position</b>
Dr. Kinneret Livnat Savitzky	Chairman of Committee & Independent (and external) Non-Executive Director, appointed (and appointed Chairman of Committee) on September 6, 2020
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The Committee comprises of three Non-Executive Board Members, all of whom are Independent. No meetings have been held since the formation of the Committee in September 2020.

A summary of the Nomination and Remuneration Committee terms of reference is publicly available on the Group's website under Investors in our Corporate Governance Policy.

### **Trading in Securities by Directors and Employees**

The Group's Policy on Trading of the Company's Shares explains and reinforces the Corporations Act 2001 requirements relating to insider trading.

The policy applies to all Directors, officers, key management personnel and employees of the Group, and their associates and closely related parties ("Relevant Persons").

The policy is compliant with the ASX Listing Rules and expressly prohibits Relevant Persons buying or selling NGS securities where the Relevant Person or NGS is in possession of price sensitive or 'inside' information and in any event without the prior approval of the Chairman or Chief Executive Officer. The policy also restricts participants in an equity-based incentive plan from entering into any transaction which would have the effect of limiting the economic risk of participating in any equity-based remuneration scheme. More details of the policy are available on the Group's website under Investors in our Corporate Governance Policy.