



CORPORATE GOVERNANCE

Corporate governance requires the identification of the group's stakeholders and the agreement on and implementation of policies to manage and advance the relationship with those stakeholders in the interest of the Group. It also embraces the adoption and monitoring of sound and effective systems of internal control, the assessment and management of business risks and the definition and implementation of appropriate business procedures.

The directors of Nutritional Holdings regard corporate governance as vitally important to the success of the Group's business and are unreservedly committed to applying the principles necessary to ensure that good governance is practiced, for which the directors accept full responsibility. These principles include discipline, independence, responsibility, fairness, social responsibility, transparency and accountability of the directors to all stakeholders. Corporate governance within the group is managed by a unitary Board of directors and several sub-committees of the Board.

The Board is of the opinion that the Group has complied throughout the accounting period with all four governance outcomes: ethical culture, good performance, effective management and legitimacy, as advocated in the King IV Report on Corporate Governance for South Africa ("King IV").

Detailed analysis of Nutritional Holding's compliance with King IV is set out below:

KING IV APPLICATION REGISTER

Principle		Application / Explanation
1.	The governing body should lead ethically and effectively.	The board of directors of Nutritional Holdings Limited hold one another accountable for decision-making and ethical behaviour. The Chairman of the Board oversees this on an ongoing basis. This responsibility is contained in the Board terms of reference.
2.	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	The Board through the Social and Ethics Committee is responsible for the monitoring and governance of the ethics of the Group. This is contained in Social and Ethics Committee terms of reference. Nutritional Holding's code of ethics guides the interaction between employees, clients, stakeholders, suppliers and the communities within which it operates.
3.	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board together with the Social and Ethics Committee is responsible for monitoring the overall responsible corporate citizenship performance of the Group.

		Nutritional Holdings supports various initiatives within the broader area, particularly in relation to education and social well-being.
4.	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	<p>The Group's ability to create value in a sustainable manner is illustrated throughout its business model.</p> <p>The Audit and Risk Committee assists the Board with the governance of risk and continuously monitors risks and ensures the implementation of various migrating controls.</p> <p>This responsibility is contained in the Board terms of reference and the Audit and Risk Committee terms of reference.</p>
5.	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.	The Group's Integrated Report provides an assessment of its performance, measured against its objectives.
6.	The governing body should serve as the focal point and custodian of the corporate governance in the organisation.	The Board is the focal point and custodian of corporate governance within the Group. Its role and responsibilities and the way that it executes its duties and decision making are documented and are set out in the Board terms of reference. Further aspects of governance are addressed with greater impetus through the established Board sub-committees i.e. Audit and Risk, Remuneration and Social and Ethics Committees.
7.	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board and its sub-committees consider on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. The Board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities.
8.	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	<p>The Board and its sub-committees complies with the requirements in terms of King IV. There is a clear balance of power to ensure that no individual/s have undue decision making powers. A lead independent non-executive director has been appointed.</p> <p>The Audit and Risk Committee is satisfied that the auditor is independent and non-audit services are not performed and the audit firm has been appointed with the designated</p>

		<p>audit partner having oversight of the audit.</p> <p>The Chief Financial Officer oversees the finance function and is assisted by suitable qualified staff. An effective internal audit function is in place.</p> <p>An assessment of the effectiveness of the Chief Financial Officer's performance is conducted annually by the Audit and Risk Committee, and confirmed in the Integrated Report.</p>
9.	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	<p>The Board and all sub-committees terms of reference include the onus of annual assessments.</p> <p>Assessments of the performance of the Board, its sub-committees and the company secretary are conducted annually by way of internal evaluation processes.</p>
10.	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and effective exercise of authority and responsibilities.	A detailed Delegation of Authority policy and framework indicate matters reserved for the Board and senior management. The Board is satisfied that the Group is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised.
11.	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	<p>The Audit and Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of the Group. The Audit and Risk Committee implements processes by which the risks to the sustainability of the business are identified and managed within acceptable parameters.</p> <p>The Audit and Risk Committee delegates to management to continuously identify, assess, mitigate and manage risks within the existing operating environment. Mitigating controls are in place to address these risks, which are monitored on a continuous basis.</p>
12.	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board, together with the Audit and Risk Committee, oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Group's strategy.
13.	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that it supports the	The Board through the Social and Ethics Committee, assisted by the company secretary and in-house legal resources monitors compliance with the various

	organisation being ethical and a good corporate citizen.	regulations the Group is subject to. There are not material penalties, sanctions or fines for contraventions of, or non-compliance with, regulatory obligations.
14.	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in short, medium and long term.	The Board, assisted by the Remuneration Committee ensures that staff are remunerated fairly, responsibly, transparently and in line with industry standards so as to promote the creation of value in a sustainable manner. This responsibility is contained in the terms of reference of the Remuneration Committee.
15.	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Board is satisfied that the assurance results indicate an adequate and effective control environment and integrity of reports for better decision-making. This responsibility is contained in the terms of reference of the Board and the Audit and Risk Committee.
16.	In the execution of its governance roles and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Various stakeholder groups have been identified and the Board balances their legitimate and reasonable needs, interests and expectations.
17.	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.	N/A – Nutritional Holdings Limited is not an institutional investor.