

The Unga Group complies fully and strictly with all requirements of a publicly listed company, including clarity of financial reporting and accountability to shareholders, and aims to set best practice standards in product and service quality and fair conduct towards its staff, suppliers and customers.

The Group recognises its responsibilities of good citizenship in the national and international communities, especially with regard to social welfare, environmental care, economic value and principles of integrity.

Role of the Board

The Board holds the Group's long-term vision, sets broad goals, plans and organisational policies to uphold it, and it offers guidance on strategic decisions and actions of management.

Composition of the Board

The Board consists of the Chairman, who has non-executive responsibilities, one executive and six non-executive directors. One third of the directors retire by rotation each year but are eligible for re-election. The directors' profiles appear on pages 3 and 4 of this Annual Report.

Other Board Information

The roles of the Chairman and Chief Executive are clearly separated, to ensure true accountability of management to shareholders through the Board, in parallel with equally sure autonomy and authority of management in the day-to-day operation of the Group. Directors are kept fully informed of all company activities through both regular and special event reports.

Board Meetings

The Board has four scheduled meetings per year and stands ready for additional meetings on any specific or urgent matters. In the period under review, the Board met four times.

Board Committees

Under its mandate to establish appropriate committees for technical or other specialised issues, the Board currently operates an Audit Committee of Mr J Kiereini (Chairman), Mr J Kibet and Mr A Ndegwa, which met four times in the year under review. It has since been expanded to cover risk and will be renamed "Board Audit and Risk Committee". In addition there is a Nominating and Remuneration Committee of Mr J Kibet (Chairman), Mr R Kemoli, Mr J Kiereini and Mr A Ndegwa, which did not meet during the year.

Communication

The Board receives management reports in advance of all scheduled meetings and as necessary at other times. The Board issues an Annual Report and Financial Statements to all shareholders and other interested parties, and keeps the public advised through half-yearly and annual press notices of results and any significant developments. Shareholders have direct access to the company in line with conventional business practices.

Directors benefits and loans

In the year under review, Directors have received no benefits other than fees and no loans to directors have been advanced.

Corporate Governance (continued)



Directors' Interest

The interest of the Directors in the shares of the company as at 30 June 2010, were as follows:

Name	No. of shares
Alan McKittrick	13,472

Distribution of shareholders

(a) By number of shares range

Shareholding(No of shares)	No. of shareholders
Less than 1,000	4,739
1,001-5,000	2,356
5,001-10,000	603
10,001-100,000	510
100,001-1,000,000	41
1,000,001 and above	4
Total	8,253

(b) By category of shareholders

Category	No. of shareholders	No. of shares	% shareholding
Local individuals	7,363	29,174,151	38.54
Local institutions	498	44,348,656	58.58
East African individuals	79	222,236	0.29
East African institutions	21	76,820	0.10
Foreign investors	292	1,885,123	2.49
Total	8,253	75,706,986	100.00

Major shareholders

The top ten shareholders as at 30 June 2010 were as follows:

Name	No. of shares	% shareholding
1. Victus Limited	38,557,190	50.93
2. Moses Thara	3,808,117	5.03
3. Alimohamed Adam	1,047,342	1.38
4. Kingsway Nominees Limited	1,043,254	1.38
5. Savitaben Velji Raichand Shah	745,677	0.98
6. Lawrence Gatitu Mbugua	603,475	0.80
7. Shah D Premchand & Premchand D F Shah	497,356	0.66
8. Mohamed A Alimohamed Adam	392,877	0.52
9. Paul Wanderi Ndungu	341,280	0.45
10. Stanbic Nominees Kenya Ltd. A/c R 48701	325,704	0.43

R Kemoli
Director

29 September 2010

N Hutchinson
Director

29 September 2010