

Corporate Governance

Committed to the highest standard of corporate governance, Unga Group complies fully with all requirements of a publicly listed company, including clarity of financial reporting and shareholder accountability. Our policy is to set best practice standards in product and service quality, combined with fair conduct towards our employees, suppliers and customers.

Recognising its responsibilities of good citizenship in national and international communities, Unga Group particularly concentrates on issues of social welfare, environmental care and principles of integrity.

Composition of the Board

The Board consists of the Chairman, who is independent and has no executive responsibilities, one executive and six non-executive directors. More than one third of the directors are both independent and non-executive; one third retires by rotation each year but is eligible for re-election.

Mrs. Mary Kimotho M'Mukindia and Mr. Patrick O Obath were appointed directors on 27 February 2013 and 26 September 2013 respectively.

Collectively, the directors possess a broad range of leading edge skills and competencies, covering the areas of legal, finance, banking, operations and management. The directors' profiles appear on pages 4 - 6 of this Annual Report.

Role of the Board

The responsibility of the Board is to hold the Group's long-term vision, set broad goals, plans and organisational policies to uphold it, and offer guidance on strategic decisions and actions of management. It ensures compliance with auditing and accounting standards, and is also tasked with the management of risk, through overseeing the implementation of adequate control systems.

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 clearly defined 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 Unga Group Board has four scheduled meetings per year and stands ready for additional meetings on any specific or urgent matters. In the period under review, it met five times.

Board Committees

Under its mandate to establish appropriate committees for technical or other specialised issues, the Board currently operates an Audit and Risk Committee and a Nominations and Remuneration Committee.

Audit and Risk Committee

The Audit and Risk Committee has the primary function to assist the Board in fulfilling its oversight responsibilities for the integrity of the Group's financial statements, compliance with legal and regulatory requirements, corporate governance, risk management and performance of the internal audit function and that of the independent auditors. The Group incorporated formal Risk Management methodology into its management practices during the year.

The committee consists of three members, all of whom are independent non-executive directors. It was chaired by Mrs. Mary Kimotho M'Mukindia who was appointed in February 2013.

It met four times during the year to review internal risk assessments and statutory compliance requirements.

Nominations and Remuneration Committee

The Nominating and Remuneration Committee has the mandates to review succession planning within the Board, identify and nominate for the approval of the Board, suitable candidates to fill Board vacancies as and when they arise. In addition, it reviews and approves the remuneration for the non-executive directors.

It is currently composed of Mr J. Kibet (Chairman) and Mr A. Ndegwa who are independent non-executive directors.

It met twice during the year to identify and nominate suitable candidates for approval of the Board.

The compensation for the financial year ended 30th June 2013 is disclosed in Note 5 of the Financial Statements.

Corporate Governance - continued

Communication

The Board receives management reports in advance of all scheduled meetings and as necessary at other times. It 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.

Directors' Interests

The interests of the Directors in the shares of the Company as at 30th June 2013 was as follows:

Name	Shares
Alan McKittrick	13,472

There were no material contracts involving directors' interests during the year.

The ten largest shareholdings in the company and the respective number of shares at 30th June 2013 are as follows:

Name	No of Shares	%
01. Victus Limited	38,557,190	50.93
02. Moses Thara	3,808,117	5.03
03. Standard Chartered Nominees Ltd - non Res A/c 9924	1,681,400	2.22
04. Rakesh Prakash Gadani	1,631,880	2.16
05. Alimohamed Adam	1,047,342	1.38
06. Kingsway Nominees Limited	1,043,254	1.38
07. Savitaben Velji Raichand Shah	745,677	0.98
08. Lawrence Gatitu Mbugua	623,775	0.82
09. Shah D Premchand & Premchand D Fulchand	497,356	0.66
10. CFC Stanbic Nominees Ltd. A/c R 48701	325,704	0.43
Total number of shares	49,961,695	65.99

Distribution of the shareholders

(a) By number of shares range

Range	Shareholders	Shares	%
1-500 shares	3,938	708,099	0.94
501-5,000	3,142	5,538,475	7.31
5,001-10,000	531	3,682,756	4.86
10,001-100,000	438	10,606,542	14.01
100,001-1,000,000	39	7,401,931	9.78
1,000,001 and above	6	47,769,183	63.10
Total	8,094	75,706,986	100.00

Corporate Governance - continued

(b) By category of shareholders

Domicile	Shareholders	Shares	%
Foreign companies	7	1,890,360	2.50
Foreign individuals	250	1,964,258	2.59
Local companies	267	43,201,062	57.06
Local individuals	7,570	28,651,306	37.85
Total	8,094	75,706,986	100.00



I Ochoa-Wilson (Mrs)
Director



N Hutchinson
Director

26 September 2013