

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.

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 3 to 5 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 four times.

Board Committees

Under its mandate to establish appropriate committees for technical or other specialised issues, the Board operates four standing committees but also sets up ad-hoc committees to deal with specific issues where necessary:

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 committee consists of four members, all of whom are independent non-executive directors. It was chaired by Mrs Mary M'Mukindia. The other members are Mr Jinaro Kibet, Mr Andrew Ndegwa and Mr Vitalis Ojode.

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

Nominations and Remuneration Committee

The Nominations and Remuneration Committee has the mandates to review the size and structure of the board, review succession planning within the Board and that of the CEO, 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 recommends the structure and level of non-executive directors' fees subject to approval by the Board and shareholders.

It is currently composed of Mr Jinaro Kibet (Chairman), Mr Andrew Ndegwa, Mr Patrick Obath and Mrs Isabella Ochola-Wilson, who are independent non-executive directors.

It did not meet during the year.

Investment and Operations Committee

The role of the Investment and Operations Committee is to assist and advise the Board on matters relating to Investment, occupational health and safety, technical operational matters and the status of major capital works projects approved by the Board.

Corporate Governance (continued)

Investment and Operations Committee (continued)

The members who served during the year were: Mr Patrick Obath (Chairman), Mr Andrew Ndegwa and Mr Alan McKittrick. It met four times during the year.

Human Resources Committee

Its responsibility is to review and monitor the Company's Human Resources Management strategy to determine whether the Human Resource plans and initiatives will enable the Company to achieve its strategic objectives; review and when appropriate, recommend to the Board the Company's Human Resources policies.

It is also responsible for the evaluation of management performance and making recommendations to the Board regarding incentive-compensation plans.

It is currently composed of Mr Alan McKittrick (Chairman), Mrs Mary M'Mukindia and Mrs Isabella Ochola- Wilson.

It met six times during the year under review.

The compensation for the financial year ended 30th June 2015 is disclosed in Note 35 of the financial statements.

| Name | No of 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 2015 are as follows:

| Name | No of shares | % shareholding |
|---|-------------------|----------------|
| 1. Victus Limited | 38,557,190 | 50.93 |
| 2. Moses Thara | 3,808,117 | 5.03 |
| 3. Rakesh Prakash Gadani | 3,464,380 | 4.58 |
| 4. CFCFS Nominees Ltd | 2,210,400 | 2.92 |
| 5. Standard Chartered(K) Nominees Ltd A/C KE 20510 | 1,877,700 | 2.48 |
| 6. Alimohamed Adam | 1,047,342 | 1.38 |
| 7. Bid Portfolio Management Ltd | 779,000 | 1.03 |
| 8. Savitaben Velji Raichand Shah | 745,677 | 0.98 |
| 9. Broadway Bakery Limited | 441,600 | 0.58 |
| 10. Investments & Mortgages Nominees Ltd A/c 028950 | 359,920 | 0.48 |
| Total number of shares | 53,291,326 | 70.39 |

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. The Annual General Meeting provides an opportunity for shareholder engagement; allows the Chairman to explain the Company's progress and answer questions from the shareholders. Shareholders have direct access to the company in line with conventional business practices. Information is also available on the Company's website.

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' Interest

The interest of the Directors in the shares of the Company as at 30th June 2015 was as follows:

Corporate Governance (continued)

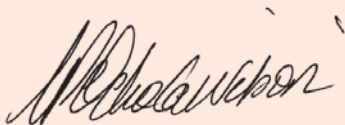
Distribution of the shareholders

By number of shares range

| Range | Shareholders | Shares | % |
|---------------------|--------------|-------------------|---------------|
| 1-500 shares | 3,908 | 684,868 | 0.91 |
| 501-5,000 | 2,911 | 5,169,090 | 6.83 |
| 5,001-10,000 | 481 | 3,342,084 | 4.41 |
| 10,001-100,000 | 379 | 9,224,134 | 12.18 |
| 100,001-1,000,000 | 31 | 6,323,568 | 8.35 |
| 1,000,001 and above | 6 | 50,963,242 | 67.32 |
| Total | 7,716 | 75,706,986 | 100.00 |

(b) By category of shareholders

| Domicile | Shareholders | Shares | % |
|---------------------|--------------|-------------------|---------------|
| Foreign companies | 7 | 2,019,660 | 2.67 |
| Foreign individuals | 250 | 1,972,962 | 2.61 |
| Local companies | 241 | 44,527,465 | 58.81 |
| Local individuals | 7,218 | 27,186,899 | 35.91 |
| Total | 7,716 | 75,706,986 | 100.00 |



I Ochola-Wilson (Mrs)

Director

30 September 2015



N Hutchinson

Director

30 September 2015