

BOARD OF DIRECTORS

The board of directors is responsible to the shareholders for setting the direction of the Group through the establishment of strategic objectives and key policies. The board meets quarterly, settles the strategic mission and is responsible for the overall direction and control of the Group.

At 31 December 2011 the board consisted of six non-executive directors and two executive directors. The chairman is a non-executive director and has a casting vote.

Press Trust and Old Mutual appoint six of the non-executive directors. These appointments are in accordance with the company's Articles of Association. At 31 December 2011 Press Trust and Old Mutual owned 44.47% and 12.27% respectively of the shares in the company.

Executive directors are appointed by the whole board from members of executive management.

The corporate board is responsible to shareholders, but it proceeds mindful of the interests of the Group's staff, customers, suppliers and the communities in which the Group pursues its interests.

PRINCIPAL BOARD COMMITTEES ARE:

Audit Committee

The Committee currently comprises two non-executive directors and one non-board member and meets no less than twice in the year. The Group Chief Executive, the Group Financial Controller, and the Group Internal Audit Manager attend the meetings by invitation. The external auditors have access to this committee. In the year ended 31 December 2011 the committee met three times; in March, July and August.

The committee's principal functions are to review the annual and interim financial statements and accounting policies, the effectiveness of internal controls over management information and other systems of internal control, the preliminary reported financial information, and to discuss the auditors' findings and recommendations. The external auditors are appointed each year based on recommendations of the audit committee, which is also responsible for fixing their remuneration. In addition, it reviews the corporation's procedures and policies.

Appointments and Remuneration Committee

The Committee comprises three nonexecutive directors.

The principal function of the Committee is to ensure that the Group's human resources are best utilised and that members of staff are remunerated commensurate with their responsibilities and effectiveness. It reviews salary trends in the market place and approves salaries, at executive director and executive management levels, based on these findings.

During the year under review the Committee met three times; in March, August and November.

Internal control and risk management

The board of directors is responsible for the Group's systems of internal controls. To fulfil its responsibilities, management maintains accounting records and has developed and continues to maintain appropriate systems of internal control. The directors report that the Group's internal controls and systems of internal control are designed to provide reasonable but not absolute assurance, as to the integrity and reliability of financial statements and to safeguard, verify and maintain accountability of its assets and to detect and minimise fraud, potential liability, loss and material misstatement while complying with applicable laws and regulations. The systems of internal control are based on established organisational structures implemented by the executive committee together with written policies and procedures, including budgeting and forecasting disciplines and the comparison of actual results against these budgets and forecasts. The directors have satisfied themselves that these systems and procedures are implemented, maintained and monitored by appropriately trained personnel with proper

segregation of authority, duties and reporting lines, and by comprehensive use of advanced computer hardware and software technologies. Employees are required to maintain the highest ethical standards in ensuring that business practices are conducted in a manner which in all reasonable circumstances is above reproach. The effectiveness of the systems of internal control in operation is monitored continually through reviews and reports from the head of the group internal audit department.

In addition, the Group's external auditors review and test appropriate aspects of internal financial control systems during the course of their normal statutory audits of financial statements of the company and subsidiaries.

A formal "limits of authority" is in place that specifically reserves certain matters for board decision.

Trading in the company's securities on the Malawi Stock Exchange continues to be governed by a share trading policy, an internal control mechanism to guard against insider trading by all employees including managers and directors.

Directors' interests in contracts

No director has had any material interest directly or indirectly in any contract reviewed or approved by the Board in the year under review.

Code of ethics

Press Corporation PLC and its subsidiaries are committed to a policy of fair dealing and integrity in the conduct of their businesses. This commitment is based on the fundamental belief that business should be conducted honestly, fairly and legally. The board formally adopted a comprehensive code of ethics that is applied throughout the Group in the conduct of its affairs. This code provides a detailed guideline governing the all-important relationships between the various stakeholders and the communities in which the Group operates.

Diversity

Press Corporation PLC is in the process of implementing a policy on gender diversity which is modeled on the 30% Club. Currently, the female representation is at 13% on the board sitting at head office level and 14% at Group level. The aspiration of the Group is to appoint more women to executive and nonexecutive directorships in the boards of Press Corporation PLC and its subsidiary companies. Furthermore, the Group is keen to improve the pipeline below board level, to widen the talent pool available to its businesses. The Group strives actively to support and encourage successful women in the work space.