

MURRAY & ROBERTS HOLDINGS LIMITED

MINUTES OF THE 65th ANNUAL GENERAL MEETING OF MEMBERS HELD AT DOUGLAS ROBERTS CENTRE, 22 SKEEN BOULEVARD, BEDFORDVIEW ON WEDNESDAY 6 NOVEMBER 2013 AT 11:00

Present: M Sello (Chairman)
HJ Laas (Group Chief Executive)
DD Barber
AJ Bester
N B Langa-Royds
WA Nairn
RT Vice

Shareholders and visitors as per attendance register

Apologies: JM McMahon

Secretary: L Kok

1. **Opening**

The Chairman welcomed all attendees at the meeting and, with the necessary quorum being present, declared the meeting duly constituted. It was noted that 328,235,302 ordinary shares were represented in person or by proxy at the meeting. This represented 73.80% of the total issued ordinary shares of the company.

2. **Notice of Meeting**

The notice convening the meeting was taken as read.

3. **Scrutineers**

The memorandum of incorporation requires that voting on resolutions put before meetings of the Company shall be decided upon by means of a poll. It was agreed that Link Market Services South Africa Proprietary Limited, the company's transfer secretaries, be appointed as scrutineers to count the votes.

4. **Presentation of Annual Financial Statements**

The annual financial statements, incorporating the Directors' and Audit & Sustainability Committee's reports of the Group and company for the year ended 30 June 2013 were taken as having been presented. The Chairman indicated that the annual financial statements of the Group and company were open for discussion. No questions were raised.

5. Election of Directors

5.1 **IT WAS RESOLVED THAT** NB Langa-Royds be and is hereby elected as a director of the company. A total of 99.89% voted in favour of the resolution.

5.2 **IT WAS RESOLVED THAT** DD Barber be and is hereby elected as a director of the company. A total of 100% voted in favour of the resolution.

5.3 **IT WAS RESOLVED THAT** JM McMahon be and is hereby elected as a director of the company. A total of 99.89% voted in favour of the resolution.

5.4 **IT WAS RESOLVED THAT** WA Nairn be and is hereby elected as a director of the company. A total of 99.89% voted in favour of the resolution.

5.5 **IT WAS RESOLVED THAT** AJ Bester be and is hereby elected as a director of the company. A total of 100% voted in favour of the resolution.

6. Reappointment of External Auditors

IT WAS RESOLVED THAT Deloitte & Touche be and is hereby re-appointed as external auditors of the company to hold office until conclusion of the next annual general meeting. A total of 93.39% voted in favour of the resolution.

7. Endorsement of Remuneration Policy

IT WAS RESOLVED THAT the remuneration policy be and is hereby endorsed. A total of 77.69% ordinary shares voted in favour of the resolution.

8. Appointment of members of the Audit & Sustainability Committee

8.1 **IT WAS RESOLVED THAT** DD Barber be and is hereby re-elected as a member of the company's Audit & Sustainability Committee. A total of 100% voted in favour of the resolution.

8.2 **IT WAS RESOLVED THAT** JM McMahon be and is hereby re-elected as a member of the company's Audit & Sustainability Committee. A total of 99.89% voted in favour of the resolution.

8.3 **IT WAS RESOLVED THAT** RT Vice be and is hereby elected as a member of the company's Audit & Sustainability Committee. A total of 100% voted in favour of the resolution.

9. **Special Resolution Number 1: Fees Payable to Non-Executive Directors**

IT WAS RESOLVED that the proposed fees for the next 12-month period, payable quarterly in arrears to non-executive directors with effect from the quarter commencing 1 October 2013, be approved as follows:

		Proposed per annum	Previous per Annum
Chairman Fee	Includes director and committee fees	^{1&2} R1 170 000	R1 095 000
Director Fees	Per annum	³ R240 000	R200 000
Committee fees:			
Audit & sustainability	Chairman	R225 000	R205 000
	Member	R110 000	R100 000
Health, safety & environment	Chairman	R152 500	R138 500
	Member	R78 500	R73 500
Nomination	Member	R39 500	R37 000
Remuneration & human resources	Chairman	R152 500	R138 500
	Member	R78 500	R73 500
Risk management	Chairman	R152 500	R138 500
	Member	R78 500	R73 500
Social & ethics	Chairman	R152 500	R138 500
	Member	R78 500	R73 500

1. *Includes fees for chairing the nomination committee and attending all Board committee meetings.*
2. *Calculated on the basis of 5 meetings per annum.*
3. *A deduction of R20 000 per meeting will apply for non-attendance at a scheduled meeting and R40 000 will apply for attendance at a special board meeting as well as R20 000 per special committee meeting.*

A total of 99,94% voted in favour of special resolution 1.

10. **Social & Ethics Committee Report**

The members were referred to the report of the Social & Ethics Committee as contained in the annual integrated report, which outlined the mandate of the Committee and provided an update of its activities during the year. The Chairman indicated that the report was open for discussion. No questions were raised.

The Chairman opened the floor to any other questions.

Mr Theo Botha requested details on the alleged agreement between contractors on a 17.5% margin on the Cape Town Stadium project.

Ms Sello stated that none of the former executives/senior managers implicated through the Fast-Track Settlement Process are still in the employ of the Group. Mr Laas noted that Murray & Roberts did not agree with this margin. The close-out margin was less than 17.5%. The costs and margins related to the construction of the stadium were agreed after four months of extensive and open book negotiations with the City of Cape Town. Margins and costs were disclosed and nothing was hidden from the client. The close-out margin was in line with what was agreed in the contract with the client.

On a further question from Mr Botha, Mr Laas replied that Murray & Roberts disclosed 21 prohibited practices:

- Four of matters were before the Commission prior to the commencement of the Fast Track Settlement Process and settlement proposals on these have been made to the Commission. Details of these matters cannot be disclosed until the settlement agreement has been concluded.
- Four other matters have prescribed, and we are willing to disclose these matters if required.
- We also received conditional leniency on six of the matters, and as the leniency agreement has not been concluded we cannot disclose these matters at this stage. Conditional leniency is a confidential matter until the Competition Commission has concluded its investigation into these matters.

The remaining matters, together with those disclosed by others where Murray & Roberts have been implicated, resulted in 17 matters being settled with the Competition Commission. All these matters have been disclosed by the Competition Commission and are in the public domain. Of the 17 prohibited practices settled by Murray & Roberts, it won seven tenders. All 17 transgressions that Murray & Roberts has been penalised for occurred in companies that were acquired by Murray & Roberts during 2006 and 2007.

Mr Botha asked if the Company had engaged with the City of Cape Town on the issue of the margins for the Cape Town Stadium. Ms Sello answered that there had been no engagement with the City of Cape Town, but that the Company remained open to an engagement if required. The costs related to the construction of the stadium were done in an open negotiation with the City of Cape Town. Margins and costs were disclosed and nothing was hidden from the client.

Mr Botha asked if Murray & Roberts received a Losers' fee for the N1 North N1 South and N17 Maintenance Contract. Ms Sello replied that no evidence of receipt of a loser's fee has been found to date.

Mr Botha stated that SANRAL has published a letter in public, effectively condemning the collusive conduct on its projects and asked if Murray & Roberts had engaged SANRAL on this public statement. Ms Sello replied Murray & Roberts has engaged SANRAL on the matter.

Mr Botha indicated that in the Fast-Track Settlement Process, Murray & Roberts was implicated by other companies in 10 projects and asked if these projects were investigated or whether they were they accepted as alleged. Mr Laas replied that extensive investigations were done, but due to the fact that some of the projects were old, records no longer existed and the implicated executives had left the Group some years before sufficient information could not be obtained for verification purposes. On the 10 matters mentioned, some information was received on 2 matters, but for the remaining 8 we could only rely on the evidence from the Competition Commission.

Mr Botha asked if Murray & Roberts had engaged with the clients of these additional 10 projects the company was implicated in. Mr Laas replied that extensive engagement on a national basis has been undertaken and the Company's views are in the public domain. This engagement includes the 17 matters that have been settled with the Competition Commission. Murray & Roberts remains open to discuss the matters with clients.

Mr Botha asked if Concor received loser's fees for the Hartebeesfontein Water Works. Mr Laas replied that the losers fee was allegedly agreed to, but that no evidence of this agreement or that the fee was paid is available.

Mr Botha asked if Concor receive the loser's fee from the BRP Joint Venture. Mr Laas replied that the evidence of Hochtief, Concor's JV partner, before the Competition Tribunal was that it did not receive any fees.

Mr Botha asked if Grinaker LTA and Concor agreed on a mark up of 12.5% in relation to their bid prices for the BKM Processing Plant Project. Mr Laas answered that the evidence of the Competition Commission was that they had, although no clear evidence of this is available.

Mr Botha asked if Concor received a loser's fee from G Liviero for the Tamboti project at Simbithi Estates. Mr Laas replied that Murray & Roberts did not tender on this job and the Competition Commission had removed this matter from the list of prohibited practices.

Referring to the earlier answer from Mr Laas, Mr Botha asked if the 4 prescribed projects could be named. Mr Laas named the projects as follows: the Coega harbour, the Cape Town Convention Centre, the Louis Trichardt prison and a mining project belonging to Scorpion Zinc in Botswana.

Mr Laas described the level of Public engagement on the competition commission matters. He noted that:

- a media briefing, including industry media, had been hosted with key business briefing them on all the facts related to the Competition Commission process and Murray & Roberts;
- written updates were continuously provided to all major shareholders and analysts on the Competition Commission process;
- a personal letter of apology to all South Africans had been published in the Sunday Times and Beeld. This letter contained detail regarding Murray & Roberts' involvement in collusive conduct;
- an employee Q&A session with the CEO had been hosted where employees from any company within Murray & Roberts could ask the CEO questions related to the Competition Commission;
- a portal on our intranet has been established to keep employees posted of developments, including providing our employees with a summary of the consent agreement ratified by the Competition Tribunal;
- On request, written assurances have been provided to some private sector clients stating that there had been no unlawful conduct on any on their respective projects

Mr Laas reiterated that anti-competitive behaviour will not be tolerated within the Group and that the Board and management of Murray & Roberts are committed to conducting its business undertakings honestly and ethically and within the provisions of the Act.

Mr Ncube, representing the Eskom Pension fund, stated that current executives seem to be exonerated from the competition commission process, and queried if the remuneration policy caters for claw back of bonuses paid. Ms Sello replied that none of the current executives are implicated by the Fast Track process and it is therefore unfair to lay the responsibility or the liability with the current executives. Mr Laas added that any anti-competitive behaviour by current executives would result in dismissal. He further noted that current executives were indirectly punished due the fines that the Company had to pay resulting in lower bonuses being calculated.

Mr Botha questioned if previous executives that have been implicated in the anti-competitive behaviour would be pursued. Ms Sello replied that the evidence on the basis of which the Competition Commission process had been settled had not been legally tested, which will have to be done in respect of past executives that could be pursued. Ms Sello stated that the company has every intention to pursue the previous executives where sufficient evidence is established, and is obtaining legal advice and gathering evidence to support any legal process that may be embarked upon.

In reply to a follow up question from Mr Ncube, Mr Laas confirmed that the forfeitable share scheme in effect provides for a claw back through non-vesting due to performance conditions that may not be met.

Mr Botha posed a question on the voluntary HIV/Aids tests at Murray & Roberts having dropped from a high of 12404 in 2011 to 2140 in 2013, asking if Murray & Roberts has a duty to ensure that employees are encouraged to be tested. Ms Sello noted that Murray & Roberts encourages employees to participate in the voluntary testing. Whilst initial interventions produced encouraging levels of participation from employees, unfortunately a declining trend in recent years has been seen, partly due to reduction in employee numbers at our mining operations (16000 to 5000 over the two year period) where there had been a good uptake.

Mr Laas added that the company's health and wellness programme has been enhanced to ensure a consistent focus on all health and wellness conditions, including HIV/AIDS and TB. The decline in HIV Testing had been noticed and the rollout of the wellness programmes is expected to result in an improvement of health and wellness indicators.

Mr Botha congratulated Murray & Roberts on the sharp reduction in the fatality rate and stated that there were two fatalities and asked for elaboration on the sustainability of these families who are left behind, such as payments and support.

Ms Sello replied that Company assistance to families of the deceased includes immediate financial and emotional support such as assistance with funeral arrangements, transport and lodging for family members and immediate access to trauma counselling at no cost. Further assistance is provided to relevant family members with respect to speedy finalisation of benefits payable to beneficiaries, as well as financial support to dependants for studies and offering of employment to family members.

Mr Botha acknowledged that there is a high level of support that has been provided by the Company to deal with fatalities and requested that more detail be provided in the annual integrated report – on a no names basis. Ms Sello replied that the board will consider this and task the HSE committee with this responsibility, regard being had to issues of employer/employee confidentiality .

Mr Botha queried the level of Corporate Social Responsibility spend of R13 million disclosed in the Annual Integrated Report, versus the R1bn profit made. Ms Sello referred the question to Mr Skudder, who replied that the profits are mainly international in nature so a direct comparison is not possible, as the spend disclosed in the Annual Integrated report is solely based on South African expenditure. Mr Laas added that Clough has a well established social responsibility programme as disclosed in the Clough Annual report. Mr Laas acknowledged that additional disclosure on worldwide social responsibility projects by the Group is warranted.

15. Business Update

The Chairman noted that it would be appropriate to provide a brief business update for the Group for the current financial year. Mr Laas, Group Chief Executive, read out the update, which had been published on the JSE Limited Stock Exchange News Service at the start of the meeting.

16. Closure

There being no further business to discuss, the Chairman thanked the members for their attendance and closed the meeting at 12:15.