REMUNERATION REPORT

INTRODUCTION BY THE REMUNERATION & HUMAN RESOURCES COMMITTEE CHAIRMAN

This is my first report to stakeholders as chairman of the Remuneration & Human Resources Committee ("remuneration committee") and I would like to thank the previous chairman, Royden Vice who retired in November 2016, for his contribution over many years.

I am pleased to present the remuneration committee report on directors' and prescribed officers' remuneration. The report outlines our remuneration policy, provides context for the remuneration considerations and presents an implementation report on the remuneration outcomes against our policy. The Group's remuneration consists of fixed (guaranteed pay) and variable (short and long-term incentives) components.

The remuneration committee contracted the services of PwC for independent external advice and Deloitte verified that the inputs used in assessing the performance conditions of the incentive schemes are consistent with the financial information used to prepare the annual financial statements.

- Approval of increases to the guaranteed pay component of total remuneration for the Group;
- Approval of executive director and prescribed officer guaranteed pay increases for FY2018;
- Performance testing and approval of Short-Term Incentive ("STI") payments in respect of FY2017;
- Performance testing and approval of vesting of the September 2014 and March 2015 Long-Term Incentive ("LTI") awards;
- Approval of September 2017 LTI awards and underlying performance conditions;
- Approval of cash settled conditional rights award with a mandatory share purchase to the Group chief executive for FY2017;
- Review and recommendation of non-executive director fees for FY2018, excluding recommendation on their own fees; and
- Review and approval of the Group's remuneration report for inclusion in the FY2017 annual integrated report.

The STI scheme is not a profit share scheme, but a scheme that incentivises performance towards achieving targets set for each financial year. The financial targets set at the beginning of FY2017 were derived from a vigorous bottom-up budgeting process and to a large extent is a function of the Group's order book – the number of contracts awarded or expected to be awarded during the year. The financial targets for FY2017 were lower than that of the previous year and is reflective of the extremely challenging market conditions, especially in the oil and gas sector. The EBIT target reduced from R947 million in FY2016 to R583 million in FY2017. In line with the reduced EBIT target, the diluted HEPS target reduced from 170 cents to 88 cents. These targets were not met during FY2017 but the financial result was better than threshold performance (80% of target) which translated into the STI performance outcomes detailed in this report.

The remuneration committee and the Board considered the merits of moderating the STI payment for FY2017 in view of the declining financial results, but concluded not to do so within the context of the remuneration policy principles of fair and competitive remuneration. The financial targets for the year were stretching considering the difficult trading environment and the scheme participants performed well to achieve the financial results reported for the year.

The Board furthermore considered the STI payment in the context of total reward and not in isolation. In this regard, 50% of the LTI for the performance period ended 30 June 2017 has been forfeited and the lower FY2017 financial results will also negatively impact the vesting of LTI's for the ensuing two years.

The Group chief executive will not be receiving a September 2017 LTI award under the Forfeitable Share Plan ("FSP"). This is as a result of the Group chief executive having reached the individual limit of 0,5% of issued shares in terms of the FSP rules. This individual limit has been set conservatively at a time when the company's shares traded at a higher value and the limit includes shares that may be forfeited as opposed to shares actually vesting. This cash-settled, conditional rights award, will not result in a more favourable financial outcome compared to the FSP. This award, including performance conditions, will mirror the FSP award and does not cause any shareholder dilution. The Group chief executive must acquire Murray & Roberts' shares at the time of vesting in September 2020, with the after-tax payment of this cash-settled award.

Executive directors' and prescribed officers' remuneration:

- Average guaranteed pay increases of 5,9% were implemented with effect 1 July 2017, in line with the current inflation rate and similar to the increases awarded to salaried employees across the Group.
- A STI equating to 49,3% of the maximum possible in terms of this scheme has been awarded for FY2017. Operating profit was below target at R487 million, but above threshold, measured as Earnings before Interest and Tax ("EBIT") for continuing operations. Due to the lower profitability, Return on Invested Capital Employed ("ROICE") at 3% was below threshold. Net cash of R1 789 million was much better than target, and Free Cash Flow ("FCF") of R667 million was also above target. This performance is commendable considering market conditions and the substantial loss incurred in the Middle East. This STI outcome is reflective of the Group's financial performance relative to the financial targets and the good performance against individual non-financial targets that were set at the start of the year.
- The performance period for the September 2014 and March 2015 FSP LTI award ended on 30 June 2017. Based on performance over the three year performance period, 50% of the September 2014 FSP award vested on 1 September 2017 and 50% of the March 2015 FSP award will vest on 1 March 2018. Half of the award was based on ROICE performance, 25% on relative Total Shareholder Return ("TSR") performance and 25% on FCF. The ROICE target was Weighted Average Cost of Capital ("WACC") plus 3%, or 16,1%. Actual performance of 8,9% was below threshold hence no shares vested for this performance measure. The Group's TSR over the performance period was at a negative compound rate of 16,4%, which was better than the weighted negative compound rate of 19,5% of the peer group. Cumulative free cash flow was above the budgeted target with a positive free cash flow of 98 cents per share. In terms of the revised remuneration policy adopted in 2015, for all FSP awards issued as from September 2015, only 30% of the award will vest at threshold performance (as opposed to 80% up to the March 2015 award) and 100% at target performance. The revised policy also introduced more stretching performance measures. Refer to the LTI performance measures in the Remuneration Policy Overview for more detail in this regard, page 74.

Given the changes introduced to the remuneration policy in 2015, shareholder support for this policy and its general alignment with King IV, no policy changes were introduced during the course of FY2017. The Group's remuneration policy received the support of 98,4% of shareholders who voted on the policy at the AGM in November 2016. I have during August 2017, upon request, engaged with one of our shareholders to discuss certain aspects of our remuneration policy and we continue to welcome shareholder comment. We believe our remuneration policy is best practise, and that its application will encourage a performance culture in the Group that will lead to sustained shareholder value creation.

As required by the Companies Act and King IV, the following resolutions will be tabled for shareholder voting at the AGM in November 2017, details of which can be found in the AGM notice:

- Binding vote on non-executive directors' fees;
- Advisory vote on the remuneration policy; and
- Advisory vote on the remuneration policy implementation report.

I would like to thank my fellow remuneration committee members for their input and support. Remuneration is a complex matter, especially during periods of declining financial results, and I am satisfied that the remuneration committee discharged its obligations in a responsible and professional manner.

RALPH HAVENSTEIN
Chairman

REMUNERATION POLICY OVERVIEW

Introduction

The remuneration report has been prepared by the remuneration committee, broadly in line with the principles outlined in King IV and has been approved by the Board. The report covers executive director, prescribed officer and non-executive director remuneration.

The remuneration report outlines the remuneration policy that guides the remuneration committee's decisions, and the remuneration outcome from the application of the remuneration policy during FY2017.

REMUNERATION POLICY PRINCIPLES

Murray & Roberts believes that directors, senior executives and employees should be paid fair, competitive and appropriately structured remuneration in the best interests of shareholders. It also recognises that its remuneration philosophy has a direct effect on the behaviour of employees and that it has to support delivery of the Group's business strategy. The remuneration policy continues to be driven by the principles of developing a performance culture and motivating and retaining key and critical talent.

The Murray & Roberts remuneration policy is aligned to the Group strategy, which aims to deliver enhanced shareholder value through growth in profitability and cash flows. This strategy focuses the Group on selected international natural resource market sectors, the diversification of the Group's business model, the delivery of project, commercial management and safety excellence, and enhanced performance and diversity of the Group's employees.

Murray & Roberts recognises that its remuneration policy should be formalised across all the Group's businesses for remuneration to be consistent and fair, however it needs to remain flexible enough to acknowledge differences across businesses with varying market conditions, and external benchmarking per business platform.

Remuneration policy for executive directors and prescribed officers

To give effect to the general remuneration philosophy that executive directors, prescribed officers and salaried employees should be paid fair, competitive and appropriately structured remuneration in the best interests of the Company and shareholders, the following broad principles are applied:

- Remuneration consists of fixed and variable components, with emphasis on variable pay at senior levels to encourage performance and shareholder value-add;
- Remuneration structures support the development of a performance culture and the Group's business strategy;
- Remuneration components are set at a competitive level to motivate key talent and to attract and retain the services of high-calibre employees;
- The STI plan aligns the interests of executives with those of shareholders in the short-term as performance incentives are subject to Company key financial performance and individual non-financial key performance indicators; and
- The LTI plan rewards achievement of financial performance measures supporting long-term shareholder value creation.

Components of remuneration

The remuneration committee ensures that the mix of remuneration components supports the Group's strategic objectives. Murray & Roberts has the following remuneration components:

- Guaranteed pay (consisting of salary, benefits and retirement fund contributions);
- Short-term incentives; and
- Long-term incentives.

The Company seeks to position guaranteed pay at the median against appropriate benchmarks, however, for total remuneration the policy is to position earnings at the 75th percentile for executives, senior management and key talent and critical skills, where the 75th percentile is achieved at between "on-target" and "stretch" performance. This policy supports the underlying principle of paying for performance and the focus on variable pay.

The table on the following pages summarises the key components of executive directors' and prescribed officers' remuneration, the link to strategy, how each component operates and the maximum opportunity for each element.

Summary of remuneration components and link to strategy

GUARANTEED PAY IS A FIXED COMPONENT, WHICH REFLECTS INDIVIDUAL CONTRIBUTION AND MARKET VALUE FOR RESPECTIVE ROLES, WITH INTERNAL AND EXTERNAL EQUITY BEING CORNERSTONES FOR SETTING GUARANTEED PAY.

OPERATION

- Guaranteed pay consists of salary, benefits and retirement fund contributions.
- Positioned at market median (per job grade taking into consideration the size and complexity of the role). The committee considers the impact of any guaranteed pay increase on the total remuneration package.
- Paid monthly in cash, net of allocations to retirement fund, insured benefits and medical aid.
- Guaranteed pay (and other elements of the remuneration package) are paid in different currencies as appropriate to reflect the geographic location of the executive.
- Reviewed annually, taking account of Group performance, individual performance, changes in responsibility, levels of increase in the market and levels of increase for the broader employee base.
- Benchmarking is performed relative to peer companies listed on the JSE for executive directors and for prescribed officers. The Oil & Gas business platform CEO is benchmarked against an appropriate peer group of Australian companies.

MAXIMUM OPPORTUNITY

- There is no prescribed maximum annual increase. However, increases will normally be no more than the general level of increase in the market against which the executive's salary is benchmarked.
- On occasions a larger increase may be awarded to recognise, for example, development in role or change in responsibility.

BENEFITS ARE PROVIDED AT COMPETITIVE LEVELS TO ATTRACT AND RETAIN SUITABLY QUALIFIED AND EXPERIENCED EXECUTIVES.

OPERATION

- Benefits such as travel allowances, insurance policies relating to death-in-service and disability benefits and medical aid are included in guaranteed pay.

MAXIMUM OPPORTUNITY

- There are no prescribed maximum values. However reference is made to market practice and benchmarks.
- Company contributions for disability and death benefits in South Africa are based on pensionable salary, where pensionable salary is no less than 50% of guaranteed pay. The contribution rates are reviewed annually.

RETIREMENT FUND CONTRIBUTIONS ARE MADE TO PROVIDE COMPETITIVE POST-EMPLOYMENT INCOME TO ATTRACT AND RETAIN SUITABLY QUALIFIED AND EXPERIENCED EXECUTIVES.

OPERATION

- Executives in South Africa contribute to the Murray & Roberts Retirement Fund, which is a defined contribution pension fund.
- In Australia, contributions are made as part of guaranteed pay, to a superannuation fund, structured as a defined contribution fund.

MAXIMUM OPPORTUNITY

- Maximum company contributions are set according to local retirement fund rules.

SHORT-TERM INCENTIVES DRIVE COMPANY AND TEAM FINANCIAL PERFORMANCE, AS WELL AS INDIVIDUAL PERFORMANCE FOR NON-FINANCIAL MEASURES, IN ORDER TO DELIVER SUSTAINED SHAREHOLDER VALUE. IT ALSO PROVIDES ALIGNMENT WITH SHAREHOLDERS THROUGH A DEFERRED COMPONENT.

OPERATION

- The STI scheme is designed to be self-funding. On-target bonus projections are used to ensure affordability and financial measures such as EBIT and actual profit are used to calculate the bonus provision accrual.
- Awards are based on annual performance against a balanced scorecard of metrics as determined by the remuneration committee from time to time.
- The Group chief executive, Group financial director and business platform CEOs, have a 70% weighting in favour of financial targets, while other prescribed officers have a 60% weighting. For the 70% financial target weighting for business platform CEOs, 50% is linked to their platform financial measures and 20% to Group financial targets.
- Individual performance is also assessed against suitable non-financial targets related to leadership, relationship, operational and risk (including safety) targets.
- 70% of the award is delivered in cash and 30% in deferred forfeitable shares or conditional rights under the LTI schemes, which vests equally over three years, subject only to continued employment.
- Financial performance targets are measured against audited annual financial performance, net of bonus accruals. Individual non-financial performance targets are based on a formal performance and development evaluation conducted by the executive's direct manager and by the committee and Board chairman for the Group chief executive.

MAXIMUM OPPORTUNITY

- The STI disbursement is based on incentive qualification levels as a percentage of guaranteed pay, which is a function of job grade and performance against agreed financial and/or individual targets as per the individual's performance contract, and applied on a sliding scale between threshold, target and stretch performance.
- Performance below threshold attracts no STI payment for the specific component of the STI below threshold, where threshold for financial targets is 80% of target.
- The STI disbursement is capped at stretch performance or 120% of target.
- The maximum STI disbursement as a percentage of guaranteed pay is 200% for the Group chief executive, 150% for the Group financial director and between 100% and 150% for prescribed officers depending on their job grade.
- Clawback provisions, as described on page 81, apply to STI awards made from August 2015.

REMUNERATION REPORT – CONTINUED

LONG-TERM INCENTIVES PROVIDE GENERAL ALIGNMENT BETWEEN THE EXECUTIVES AND SHAREHOLDERS OF THE GROUP. THEY ALSO MOTIVATE AND REWARD EXECUTIVES WHO HAVE CONTRIBUTED TO THE GROUP'S VALUE CREATION OVER THE LONG TERM AND SUPPORT THE RETENTION AND ATTRACTION OF EXECUTIVES.

OPERATION

- Murray & Roberts operated three LTI schemes in FY2017: the FSP introduced in October 2012, the Letsema Vulindlela Black Executives Trust ("Vulindlela"), which was established in December 2005 as part of the Group's BBBEE shareholding structure, and the Clough Phantom Share Plan ("CPSP") introduced in 2014 following the acquisition of the minority interests in Clough.
- Murray & Roberts has a historical option type plan, namely the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Share Option Scheme") All outstanding options are currently under water and will expire on 30 August 2017. No new allocations will be made in terms of the Share Option Scheme.
- A new LTI scheme is under consideration for Clough to replace the CPSP. No further awards will be made under the CPSP.

Forfeitable Share Plan

- Forfeitable Murray & Roberts shares are awarded subject to continued employment and satisfaction of challenging performance conditions measured over a three-year performance period, which are set by the remuneration committee before each grant.
- Cliff vesting occurs at the end of the three-year period.
- Settlement of the forfeitable shares can be by way of an acquisition of the required number of shares on the market, the use of shares held in treasury account, the use of shares held by the Murray & Roberts Trust, or an issue of shares. The remuneration committee has the ability to cash-settle awards, if necessary, in exceptional circumstances. There is no current intention for awards to be delivered in this way.
- In very specific circumstances, on an ad-hoc basis, where it is necessary to retain critical talent, the remuneration committee may make awards only subject to continued employment with no performance conditions. These awards are aimed at retention and will not form part of the annual awards.

ONLINE
www.murrob.com // a summary of the salient features of the FSP is available in the 2012 integrated report and on the Murray & Roberts website.

MAXIMUM OPPORTUNITY

- LTI award levels, expressed as a percentage of guaranteed pay, will be made based primarily on an employee's guaranteed pay, job grade, performance, retention and attraction requirements and market benchmarks.
- The maximum allocation limit as a percentage of guaranteed pay is 190% for the Group chief executive, 140% for the Group financial director and between 80% and 140% for prescribed officers depending on their job grade (face value of shares at grant).
- For FSP allocations from September 2015, 30% of the award vests for threshold performance, rising on a sliding scale to 100% of the award for performance at target performance.
- Under the current CPSP, 80% of the award vests for threshold performance, rising on a sliding scale to 100% of the award for performance at target performance. The CPSP will be replaced with a new LTI scheme.
- Clawback provisions, as described on page 81, apply to LTI awards made from August 2015.

OPERATION CONTINUED

Letsema Vulindlela Black Executives Trust

- The beneficiaries of Vulindlela are black (African, Coloured and Indian) South African citizens, who are employed on a permanent basis within the Group as top, senior and middle managers. Black prescribed officers have several outstanding allocations under Vulindela, and have only been allocated forfeitable shares under the FSP since November 2012.

  In terms of the Trust deed this Trust is to be terminated on 31 December 2022. As the awards are subject to a five year lock-in period a final allocation was made in November 2016.

  High potential middle management employees qualify for an award under the FSP.

Clough Phantom Share Plan

- Clough phantom shares or conditional rights are awarded subject to continued employment and satisfaction of challenging performance conditions measured over three years, which are set by the remuneration committee before each grant. As previously stated, this plan is under consideration and the intention is to replace the plan with a new LTI scheme.

Share Option Scheme

- The last award under the Share Option Scheme was made in July 2012 and no further awards will be made.
- All outstanding awards are currently under water and will expire on 30 August 2017.

EXECUTIVE SHARE OWNERSHIP AIMS TO BETTER ALIGN THE INTERESTS OF EXECUTIVES WITH THOSE OF SHAREHOLDERS BY ENCOURAGING EXECUTIVES TO BUILD A MEANINGFUL SHAREHOLDING IN THE COMPANY.

OPERATION

- Executive share ownership is encouraged and the first move towards this was through the introduction of part deferral of STIs into forfeitable shares, where 30% of the STIs are deferred into forfeitable shares under the FSP or conditional rights under the CPSP.
- In a bid to further encourage executives to hold more shares, the Group chief executive is encouraged to build a shareholding, in "unfettered" shares, equivalent to at least 100% of guaranteed pay, other executive directors equivalent to 75% of guaranteed pay, and prescribed officers equivalent to 50% of guaranteed pay over a period of not more than five years.
- Executives are encouraged to retain at least 50% of any vested shares retained after meeting necessary tax obligations under the LTI schemes.

MAXIMUM OPPORTUNITY

- Not applicable

Choice of performance measures

The table below shows the performance measures set for FY2017, which will again be applied for FY2018. The weightings presented below are for the executive directors. Targets are set every year following a bottom-up business planning process, taking account of strategic goals and the prevailing market conditions.

STI performance measures

METRIC	WEIGHTING FOR CHIEF EXECUTIVE AND FINANCIAL DIRECTOR	RATIONALE
Financial performance measures		
EBIT	20%	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenues and costs.
Continuing Diluted Headline Earnings per Share ("HEPS")	20%	A key indicator of the value add for shareholders.
Net Cash	10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free Cash Flow	10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. Free cash flow is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
ROICE	10%	A key indicator of the effective use of shareholder capital.
Individual performance measures		
Leadership	7,5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession and development objectives are achieved.
Relationship	7,5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	7,5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	7,5%	A key indicator of the extent to which health, wellness and safety, risk management and environmental objectives are achieved.

LTI performance measures

FSP performance measures over 3 year vesting period

METRIC AND WEIGHTING	RATIONALE	VESTING
ROICE **50%**	A key indicator of the effective use of shareholder capital	For allocations prior to August 2015, 100% vesting will occur at target performance of WACC + 3%, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points. For allocations from September 2015, 30% vests for threshold performance and 100% vests for target, where threshold performance is WACC and target performance is WACC + 4%. Linear vesting will be applied between these points.
TSR relative to a peer group of competitors **25%**	TSR measures the total returns to the Group's shareholders, and provides close alignment with shareholder interests.	A peer group of South African listed companies is used to evaluate TSR. For allocations prior to August 2015, 100% vesting will occur at median peer TSR performance, with 80% vesting at threshold performance of 80% of target. Linear vesting will be applied between these points. TSR is weighted for each of the peer companies according to their market capitalisation at the beginning of the performance period. For allocations from September 2015, 30% vests for threshold performance and 100% vests for target performance against a market cap weighted index of the peer companies. Threshold is 90% of the combined peer TSR Compound Annual Growth Rate ("CAGR") and target is the combined peer TSR CAGR plus 5%. Linear vesting will be applied between these points.
Free Cash Flow per Share ("FCFPS") **25%**	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCFPS is an indication of the Group's ability to pursue opportunities that enhance shareholder value.	For the September 2014 and March 2015 allocations, 100% vesting will occur at target FCFPS for each of the three-years under review on a cumulative basis. 80% vesting occurs at threshold performance which is 80% of target. Linear vesting will be applied between these points. For allocations from September 2015, 30% vests at threshold performance and 100% vests at target, where target performance is 120% of cumulative budgeted, FCFPS and threshold performance is 80% of budget. Linear vesting will be applied between these points.

Clawback of incentives

For STI and LTI awards made from August 2015, the remuneration committee introduced clawback provisions, where the committee may reduce or clawback STI and LTI awards in the following circumstances:

- The participant acting fraudulently or dishonestly or being in material breach of their obligations to the Murray & Roberts Group; or
- Where Murray & Roberts becomes aware of a material misstatement or omission in the financial statements of a Group company or the Group.

These clawback provisions apply whether or not awards are made in the form of cash or equity, and whether or not the equity has vested.

Differences in remuneration policy for executives compared to other employees

There are differences in the structure of the remuneration policy for the executive directors, prescribed officers and other salaried employees, which are necessary to reflect the different levels of responsibility and market practices. The key difference is the increased emphasis on incentives or variable performance-related pay in senior roles. Lower maximum variable incentive pay limits, as a percentage of guaranteed pay, apply for roles below executive level, driven by market benchmarks and the relative impact of the role. Only the most senior executives in the Group participate in the FSP and CPSP schemes, where these plans are targeted at those individuals who have the greatest responsibility for Group performance. As Murray & Roberts believes that all employees should be aligned with key business drivers, participation in the STI also includes middle management, junior management and general employees, subject to the meeting of individual performance targets.

Executive directors' and prescribed officers' employment contracts and policy on termination of employment

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months. The employment contracts include pay in lieu of notice provisions, which may be invoked at the discretion of the Group. Normal retirement of executive directors and senior management is at age 63, however, this is subject to specific legislation in the countries within which Murray & Roberts operates.

There is no material liability to the Group with respect to the termination of employment of any executive director or prescribed officer. The contracts of employment do not include provisions entitling the individual to a specified payment on termination of employment or on a change of control of Murray & Roberts, other than as stipulated in the LTI schemes. The only provision in the contract of employment for executive directors and prescribed officers (other than the Oil & Gas business platform CEO) relating to a payment on termination of employment is that, where termination occurs during the first year of employment, any payment to which the individual is entitled by law will be limited to a maximum of 25% of annual Total Fixed Cost of Employment ("TFCE").

Any LTI entitlements awarded to an executive director or prescribed officer under the Group's LTI schemes will be determined based on the relevant plan rules. Employees terminating employment due to resignation or dismissal on grounds of misconduct, poor performance or dishonest or fraudulent conduct or due to absconding, will forfeit all unvested LTI awards and deferred STI into LTI awards. Employees terminating employment due to death, retirement, retrenchment, ill-health, disability, injury or the sale of the employer company, will be classified as good leavers and a portion of the LTI awards and deferred STI into LTI awards will vest on the date of termination of employment. This portion will reflect the number of months served since the award date to the date of termination of employment over the total number of months in the vesting period and the extent to which the performance conditions imposed have been met. The remainder of the awards will lapse.

No agreements have been entered into with the executive directors or prescribed officers regarding restraint of trade, other than the Oil & Gas business platform CEO who has a non-competition clause in his contract of employment.

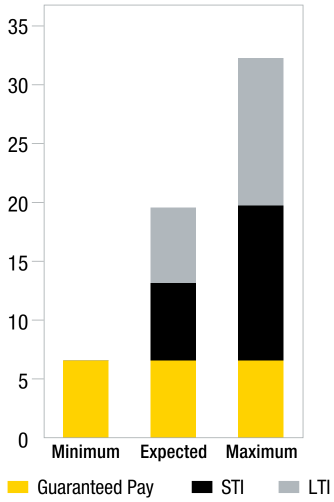
Retention schemes

There are currently no retention schemes in place for executive directors or prescribed officers.

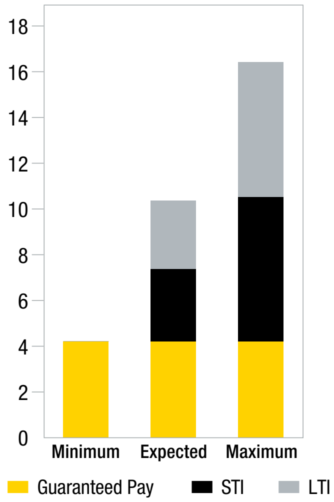
Total remuneration scenarios at different performance levels

The charts below illustrate the total potential remuneration for the executive directors.

GROUP CHIEF EXECUTIVE[1]
(R MILLION)



GROUP FINANCIAL DIRECTOR[1]
(R MILLION)



1 Assumptions:

Minimum = guaranteed pay only (salary, benefits and retirement fund contributions)

Expected = on-target STI allocation and expected value (50%) of LTI award

Maximum = stretch STI allocation and face value of LTI award

Guaranteed pay levels (on which other elements of the package are calculated) are based on those applying on 1 July 2017.

Remuneration policy for non-executive directors

Components of remuneration

Non-executive directors receive a fee for their contribution to the Board and its committees of which they are members. This fee structure reflects the skill and experience brought to the Group by each non-executive director, responsibilities undertaken, the time commitment involved and the importance of attendance at and contribution to Board and committee meetings. The fee structure is reviewed annually.

Fees are benchmarked against companies listed on the JSE which are of a similar size and nature, in terms of market capitalisation and sector. This includes companies in the construction, mining and industrial sectors. It is the company's policy to align fees to the upper quartile of the benchmark, in alignment with the total remuneration policy for executives and in order to ensure that suitably qualified and experienced non-executive directors are attracted to the Group.

Remuneration governance

The remuneration committee assists the Board to fulfil its corporate governance supervision responsibilities and to align the remuneration policy with the company's business strategy. The key focus in this regard is to attract, retain, motivate and reward directors, senior executives and employees through the payment of fair, competitive and appropriately structured remuneration in the best interests of the company and shareholders. The committee operates under terms of reference reviewed and approved annually by the Board.

Membership

Ralph Havenstein chairs this committee. Ntombi Langa-Royds, Suresh Kana and Mahlape Sello serve as members of the committee. The Group chief executive and Group financial director attend meetings in an ex officio capacity. The executives who attend meetings in their ex officio capacity do not participate in any discussions or decisions pertaining to their own remuneration. Specialised advice is sought from time to time.

Terms of reference

The chairman of the committee reports to the Board on the committee's deliberations and decisions. The committee assists the Board by submitting reports and recommendations on the Group's employment framework and policies, and remuneration philosophy.

The committee is responsible for considering and approving proposals regarding guaranteed pay, benefits, short-term incentives, long-term incentives and related matters pertaining to executive directors of the Group, prescribed officers, all managing directors of the Group's businesses and other senior Group executives. It also considers and approves the remuneration and benefits paid to general staff. It has responsibility for oversight of the Group pension, provident and other benefit plans.

The functions, role and mandate of the Group chief executive are considered by the committee and his performance is assessed. Succession planning to the Group chief executive and senior executives is also considered by the committee, as well as the Group's leadership succession and development strategy and employment equity status.

The committee oversees the preparation of the remuneration report and recommends the report to the Board, ensuring that this report is accurate, complete and transparent and provides a clear explanation of how the remuneration policy has been implemented. The committee ensures that the remuneration policy and implementation report are put to a non-binding advisory vote of shareholders at the annual general meeting.

Assessment

The committee evaluated its performance and effectiveness by way of self-assessment questionnaires. Based on the results, the committee believes that it functions effectively and has complied with its terms of reference in all material respects.

IMPLEMENTATION REPORT

The implementation report details the outcomes of applying the approved remuneration policy detailed in the previous section.

Single total figure of remuneration

The table below includes the total remuneration for the reported financial year and the previous financial year. The table includes guaranteed pay, the short-term incentive paid (including the deferred short-term incentive for FY2016, but excluding as from FY2017) and the long-term incentives that will vest due to performance in the financial year (including the 30% deferred STI award, as from FY2017). This change in STI and LTI reporting was made to align with expected King IV requirements.

Single total figure of remuneration for period to 30 June 2017

Payment in Rand (R'000)

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Bester, Cobus[1]	**3 567**	4 530	**1 304**	3 809	**1 575**	1 668	**–**	–	**6 446**	10 007
Fenn, Orrie	**4 650**	4 470	**2 821**	4 120	**1 088**	1 148	**–**	–	**8 559**	9 738
Govender, Jerome[2]	**2 811**	3 570	**–**	1 845	**844**	823	**–**	–	**3 655**	6 237
Grobler, Daniël[3]	**1 050**	–	**1 958**	–	**1 395**	–	**–**	–	**4 403**	–
Harrison, Steve	**3 150**	2 951	**1 259**	1 000	**1 163**	685	**–**	–	**5 572**	4 637
Henstock, Ian	**3 697**	3 520	**2 320**	2 299	**948**	1 017	**–**	–	**6 965**	6 836
Laas, Henry	**6 195**	5 900	**4 200**	6 404	**4 212**	2 376	**90**	–	**14 697**	14 680
Mdluli, Thokozani	**2 505**	2 383	**917**	1 242	**1 112**	685	**–**	–	**4 534**	4 310
Skudder, Andrew[4]	**276**	3 310	**–**	–	**–**	–	**296**	–	**572**	3 310

1 Cobus Bester retired from the Board and as Group financial director on 31 March 2017.

2 Jerome Govender's employment with the Group ended on 31 March 2017.

3 Daniël Grobler appointed to the Board and as Group financial director on 1 April 2017 and guaranteed pay represents period from April 2017.
Total guaranteed remuneration for 9 months as Managing Director of subsidiary was R2 277m and STI related payment was R1 734m (FY2016: R1 734m). FY2017 pro-rata STI as Managing Director of subsidiary is R1 976m and balance of R821m relates to three months as a Director.

4 Andrew Skudder resigned on 31 July 2016.

Payment in AU$ (AU$'000)

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Bennett, Peter[1]	**788**	365	**545**	600	**234**	–	**83**	700	**1 650**	1 665
Gallagher, Kevin[2]	**–**	842	**–**	–	**–**	–	**–**	28	**–**	870

1 Peter Bennett joined the Group on 1 February 2016.

2 Kevin Gallagher resigned from the Group with effect of 26 January 2016.

The single total figure of remuneration is calculated as set out below.

	2017	2016
GUARANTEED PAY	Guaranteed pay earned for the period including benefits and retirement fund contributions. The average remuneration adjustment for executive directors and prescribed officers for FY2017 (effective 1 July 2017) was 5,91% (FY2016: 4,85%). The total adjustment was aligned to the average Murray & Roberts increase awarded in March 2017 for other salaried employees of 5,89%.	Guaranteed pay earned for the period including benefits and retirement fund contributions. The average remuneration adjustment for executive directors and prescribed officers for FY2016 (effective 1 July 2016) was 4,85% (FY2015: 5,2%). The total adjustment was aligned to the average Murray & Roberts increase awarded in March 2016 for other salaried employees of 5,0%.
STI	STI awarded for FY2017 performance. 70% of the award is payable in cash in September 2017, and 30% deferred as an LTI award, which will vest 1/3 each year from FY2018 to FY2020. The 30% deferred STI award is disclosed under LTI in the single total figure of remuneration from FY2017. It was previously disclosed as part of STI.	STI awarded for FY2016 performance. 70% of the award was payable in cash in September 2016, and 30% deferred as an LTI award, which will vest 1/3 each year from FY2017 to FY2019. Peter Bennett's STI award for this year was guaranteed as part of his employment contract agreement.
LTI	The value of LTI awards under the August 2014 and March 2015 FSP, that vest 1 September 2017 and 1 March 2018 respectively, is based on performance during the three-year period to 30 June 2017. The value of that award is based on a share price on 30 June 2017 of R13.07. 50% of the September 2014 and March 2015 FSP awards lapsed due to the actual ROICE being below threshold. TSR and FCF targets were met. No LTI vesting occurred for Peter Bennett under the CPSP as he only joined the plan in FY2016. The 6 March 2007 and 20 April 2011 Share Option Scheme allocations that vested on 5 March 2017 and 19 April 2017 respectively, carried no value as at 30 June 2017, as the performance condition was not achieved and consequently lapsed	The value of LTI awards under the August 2013 FSP that vested, is based on performance during the three-year period to 30 June 2016. The value of that award was based on a share price on 30 June 2016 of R11.90. 4% of the August 2013 FSP awards lapsed due to the actual ROICE, which achieved only 92% of target. As the CPSP was introduced in 2014, the three-year performance period ends 30 June 2017, hence no LTIs vested under the CPSP for performance to 30 June 2016.
OTHER	The payment to Andrew Skudder and Peter Bennett is in respect of accrued leave. The benefit to Henry Laas is a fringe benefit on the use of a company vehicle.	The payment to Peter Bennett is in recognition of previous incentives foregone when joining the Group. The payment to Kevin Gallagher relates to accumulated leave upon his resignation.

FY2017 STI performance outcomes

Financial performance Key Performance Indicators ("KPIs") are measured against audited annual financial results and are net of STI accruals. Non-financial individual performance KPIs are based on a formal performance and development evaluation conducted by the Group chief executive for the executives and by the remuneration committee and Board chairman for the Group chief executive.

Performance below threshold attracts no STI payment for the specific component of the STI below threshold, where threshold for financial targets is 80% of target.

Non-financial individual performance is assessed against suitable KPIs and is rated on a sliding scale where a score of 2 represents threshold performance, 3 on-target performance, 4 excellent performance and a score of 5 stretch performance.

Performance against the FY2017 Group targets are summarised below, where the outcome represents the overall Group performance expressed as a percentage achievement against target for the specific KPI.

KPA	KPI	OUTCOME	COMMENTS
FINANCIAL (Weighting 70%)	**Profitability – EBIT** (Weighting 20%)	**84%**	EBIT of R487 million achieved relative to target of R583 million for continuing operations.
	Profitability – Diluted HEPS (Weighting 20%)	**82%**	Diluted HEPS from continuing operations of 72 cents achieved relative to target of 88 cents.
	Cash flow – net cash (Weighting 10%)	**153%** (capped at 120%)	Net cash of R1 789 million achieved relative to target of R1,172 million.
	Cash flow – FCF (Weighting 10%)	**192%** (capped at 120%)	FCF of R667 million relative to target of R348 million.
	Returns (Weighting 10%)	**20%** (below threshold)	ROICE of 3,0% achieved relative to WACC plus 1,5% (on target) or 15,1%. Performance of less than WACC compared to target attracts no STI payment for the element.
LEADERSHIP (Weighting 7,5%)	**Strategy implementation**	**3.7** out of 5	Substantial progress made on implementing the *New Strategic Future* plan, including the sale of the Infrastructure & Building platform and sub-sector change on the JSE to Diversified Industrials. Earnings are now derived from all segments of the project life cycle and the international footprint is extensive.
	Transformation & diversity		Due to a subdued business environment presenting limited opportunity for signing on new employees, transformation in South Africa has been slow. However, the Group achieved a BBBEE level 3 rating, which was better than target.
	Leadership succession & development		Performance management and succession planning is well established and effectively applied. Bench strength at executive level needs to be improved. CEO succession in the Oil & Gas platform was handled expediently and the transition has been smooth. Group financial director succession was also well managed with an internal successor appointed.

KPA	KPI	OUTCOME	COMMENTS
RELATIONSHIPS (Weighting 7,5%)	Stakeholder engagement	3.7 out of 5	Relations with stakeholders remained strong. Relationship with the South African Government improved following the VRP agreement. Public relations and investor relations were well managed with respect to the sale of the Infrastructure & Building platform and JSE sub-sector change.
	Employee relations		The employee relations plans to mitigate the increased level of labour unrest in South Africa are embedded in the Group companies with limited instability during the year. Cementation Canada is again rated as a Top 100 employer in Canada.
OPERATIONAL (Weighting 7,5%)	Good governance	3.4 out of 5	The Group continues to implement and maintain good governance practices with adherence to policy and authority frameworks. There was increased focus on legal compliance and King IV application.
	Commercial management		All Gautrain development period disputes were settled. Good progress made with Dubai Airport arbitration and ruling expected May 2018. Ongoing improvement in contract management and lessons learnt practices across all operations.
	Project performance		Only one loss making project in the Group – excluding the Middle East. This is a major improvement on prior years.
RISK (Weighting 7,5%)	Health, wellness & safety	3.6 out of 5	Regrettably one fatal incident suffered during July 2016. The record low LTIFR of 0.52 and TRCR of 3.1 were better than target. These were industry leading performances. Implementation of the Group's MAP Programme progressed well across all three business platforms.
	Risk management		Risk management practices and internal audit are well-established disciplines and no material findings were reported.
	Environment		Environmental reporting and awareness has improved. No major environmental incidents were reported.

The STI breakdown for the Group chief executive for FY2017 is set out below:

	R'000
Financial (70%)	3 903
• Diluted HEPS	681
• EBIT	744
• Net Cash	1 239
• FCF	1 239
Non-Financial (30%)	2 555
• Leadership	697
• Relationships	697
• Operational	464
• Risk	697
Less: Adjustment	(458)
Total STI (of which 30% is deferred into the FSP)	6 000

FY2017 LTI performance outcomes

Vesting of the September 2014 and March 2015 FSP award

The three-year performance period for the September 2014 FSP and March 2015 FSP award ended on 30 June 2017. The September 2014 FSP award comprised 2 454 370 shares and the March 2015 FSP award comprised 541 195 shares, with a total of 1 341 139 shares awarded to the executive directors and prescribed officers. Half of the award was subject to ROICE as a performance condition, 25% to relative TSR performance and 25% to FCFPS performance. ROICE for the three year performance period was 8,9%, below the target of 16,1%, being WACC plus 3%. The Group's TSR over the performance period was at a negative compound rate of 16,4%, but better than the weighted negative compound rate of 19,5% for the peer group. Cumulative FCFPS was above the cash positive target with a positive FCF of 16 cents per share. As a result of this performance, 50% of the September 2014 FSP award vested on 1 September 2017 and 50% of the March 2015 FSP, will vest on 1 March 2018. 50% of the shares awarded did not meet the performance conditions and lapsed on 21 August 2017. The calculation of the vesting percentage of these awards were audited by the company's external auditors.

Vesting and expiry of Share Option Scheme awards

The 6 March 2007 and 20 April 2011 Share Option Schemes did not meet the performance condition on the vesting dates, being 5 March 2017 and 19 April 2017 respectively. Both these allocations have lapsed.

LTI awards granted in 2017

An allocation of forfeitable shares was made in September 2017 under the FSP.

The September 2017 FSP is the annual allocation of forfeitable shares to senior executives including the executive directors and prescribed officers and will vest in 2020. A total number of 4 417 000 forfeitable shares were allocated, of which 823 500 forfeitable shares to the value of R11 948 985 million were allocated to the executive directors and prescribed officers. The allocation took job grade, individual performance and retention risk into consideration.

The vesting of the September 2017 FSP award is subject to meeting performance conditions for the three year performance period from 1 July 2017 to 30 June 2020 as shown in the table below.

30% of the award will vest at threshold and 100% at target, with no vesting for below-threshold performance. Linear vesting will apply between these points. The remuneration committee considers the performance targets to be stretching in the context of the Group's business strategy and the market conditions.

September 2017 FSP award performance conditions

CRITERIA	PERFORMANCE CONDITION	WEIGHTING	THRESHOLD	TARGET FOR MAXIMUM VESTING
ROICE	Average Return on Invested Capital Employed over the performance period	50%	WACC	WACC plus 4%
TSR	Relative Total Shareholder Return over the performance period	25%	Combined peer TSR CAGR x 90%	Combined peer TSR CAGR + 5%
FCFPS	Free Cash Flow per Share generated over performance period	25%	80% of Budgeted FCF	120% of Budgeted FCF

Peer companies to be used for the TSR performance measure are Aveng, AECI, Arcelormittal, Barloworld and Imperial Holdings.

The September 2017 FSP award was settled through a market purchase and use of the shares that lapsed under the August 2014 FSP and March 2015 FSP award, thereby not resulting in any dilution to shareholders.

In terms of the scheme rules the aggregate number of shares at any one time, which may be allocated under the Share Option Scheme and the FSP, may not exceed 5,0% of the number of shares in issue. This represents 22 236 806 shares. As at 30 June 2017, there were 371 180 shares allocated under the Share Option Scheme and 15 490 732 shares under the FSP, which is less than the aggregate cap. This includes FSP awards under the STI deferral. It should be noted that these shares were not allocated by way of an issue of new shares and as such are not dilutive to shareholders.

The maximum number of shares allocated to any participant in respect of all unvested awards under the FSP and the Share Option Scheme, will not exceed 2 223 681 shares. This represents 0,50% of the number of shares currently in issue. This limit was set in 2012 when the share price was trading at higher levels and the subsequent reduction in the share price has led to an increase in the number of shares awarded to achieve the award value as per the remuneration policy. The individual limit has been reached by the Group chief executive, who as at 30 June 2017, had 2 213 300 unvested awards. This represents 0,497% of the shares currently in issue, just below the cap of 0,50%.

The maximum number of shares allocated to any participant in respect of all unvested awards under the FSP and the Share Option Scheme, will not exceed 2 223 681 shares.

The Group chief executive has thus not received a September 2017 FSP award, but cash-settled conditional rights with a mandatory share purchase. The cash-settled conditional rights will not result in a more favourable financial outcome compared to the FSP. It is envisaged that FSP awards may again resume with the next award.

This award, including performance conditions, will mirror the FSP award and does not cause any shareholder dilution. In terms of this award the Group chief executive must acquire shares with the after-tax cash payment and is hence in the same share ownership position he would have been under the FSP.

The Group chief executive was awarded 864 000 cash-settled conditional rights to the value of R12 536 640 on 1 September 2017. The performance conditions will be evaluated over the period 1 July 2017 to 30 June 2020.

The Oil & Gas platform CEO was awarded a long-term incentive to the value of AU$560 000 on 1 October 2017. The performance conditions will be evaluated over the period 1 July 2017 to 30 June 2020.

Outstanding Long-term Incentives

FSP awards and STI deferred into FSP awards

NAME	Date awarded	Number of shares allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value	Estimated value (R'000)
Bester, C	Sept 2014	163 000	3 992	–	81 500	81 500	–	–	1 065
	Mar 2015	78 000	1 372	–	39 000	39 000	–	–	510
	Sept 2015	430 000	5 392	–	–	430 000	–	–	2 810
	Nov 2016	476 500	6 657	–	–	476 500	–	–	3 114
	STI 2014	22 096	596	11 041	–	11 055	Nov 2016	102	–
	STI 2015	52 046	679	17 348	–	34 698	Nov 2016	160	–
	STI 2016	104 762	1 142	–	–	104 762	–	–	1 369
Fenn, O	Sept 2014	109 500	2 682	–	54 750	54 750	–	–	716
	Mar 2015	57 000	1 003	–	28 500	28 500	–	–	372
	Sept 2015	333 500	4 182	–	–	333 500	–	–	2 179
	Nov 2016	366 000	5 113	–	–	366 000	–	–	2 392
	STI 2014	11 574	312	5 783	–	5791	Nov 2016	53	76
Govender, J	Sept 2014	104 000	2 547	–	59 222	44 778	–	–	585
	Mar 2015	57 000	1 002		37 209	19 791	–	–	259
	Sept 2015	266 000	3 336		125 611	140 389	–	–	971
	STI 2014	13 679	369	12 728	951	–	Nov 2016 & May 2017	144	–
	STI 2015	39 699	518	30 085	9 614	–	Nov 2016 & May 2017	355	–
Grobler, D	Sept 2014	50 000	1 225	–	25 000	25 000	–	–	327
	Mar 2015	35 000	617	–	17 500	17 500	–	–	229
	Sept 2015	149 000	1 868	–	–	149 000	–	–	974
	Nov 2016	173 000	2 417	–	–	173 000	–	–	1 131
	STI 2014	6 571	177	3 283	–	3 288	Nov 2016	30	43
	STI 2015	27 575	360	9 191	–	18 384	Nov 2016	85	240
	STI 2016	68 147	743	–	–	68 147	–	–	891
Harrison, S	Sept 2014	60 500	1 482	–	30 250	30 250	–	–	395
	Mar 2015	35 000	616	–	17 500	17 500	–	–	229
	Sept 2015	147 000	1 843	–	–	147 000	–	–	961
	Nov 2016	248 000	3 465	–	–	248 000	–	–	1 621
	STI 2014	7 759	209	3 876	–	3 883	Nov 2016	36	51
	STI 2015	22 979	300	7 659	–	15 320	Nov 2016	71	200
	STI 2016	27 506	300	–	–	27 506	–	–	360
Henstock, I	Sept 2014	100 000	2 449	–	50 000	50 000	–	–	654
	Mar 2015	45 000	792	–	22 500	22 500	–	–	294
	Sept 2015	262 500	3 292	–	–	262 500	–	–	1 715
	Nov 2016	291 000	4 065	–	–	291 000	–	–	1 902
	STI 2014	12 825	346	6 408	–	6 417	Nov 2016	59	84
Laas, H	Sept 2014	246 000	6 025	–	123 000	123 000	–	–	1 608
	Mar 2015	123 000	2 164	–	61 500	61 500	–	–	804
	Sept 2015	760 000	9 530	–	–	760 000	–	–	4 967
	Nov 2016	842 500	11 770	–	–	842 500	–	–	5 506
	STI 2014	32 889	887	16 434	–	16 455	Nov 2016	152	215
	STI 2015	73 800	963	24 600	–	49 200	Nov 2016	227	643
	STI 2016	176 145	1 920	–	–	176 145	–	–	2 302
Mdluli, T	Sept 2014	65 000	1 592	–	32 500	32 500	–	–	425
	Mar 2015	45 000	792	–	22 500	22 500	–	–	294
	Sept 2015	145 500	1 825	–	–	145 500	–	–	951
	Nov 2016	161 500	2 256	–	–	161 500	–	–	1 055
	STI 2014	7 991	216	3 992	–	3 999	Nov 2016	37	52
	STI 2015	20 918	273	6 972	–	13 946	Nov 2016	64	182
	STI 2016	34 152	372	–	–	34 152	–	–	446

Executives receive dividend payments on the FSP allocations held from the award date.

For the FSP performance conditions, a vesting percentage of 50% is applied to calculate the estimated value.

Share Option Scheme

NAME	Date awarded	Number of shares allocated	Strike price	Condition	Number forfeited in the year	Closing balance	Vesting date	Estimated value
Bester, C	6 Mar 2007	670 000	42,33	Special	670 000	–	6 Mar 2017	–
	20 Apr 2011	49 580	23,34	Hurdle	49 580	–	20 Apr 2017	–
	30 Aug 2011	89 780	25,24	Retention	–	89 780	30 Aug 2017	–
Fenn, O	20 Apr 2011	49 580	23,34	Hurdle	49 580	–	20 Apr 2017	–
	30 Aug 2011	56 280	25,24	Retention	–	56 280	30 Aug 2017	–
Govender, J	6 Mar 2007	40 200	42,33	Hurdle	40 200	–	6 Mar 2017	–
Henstock, I	20 Apr 2011	49 580	23,34	Hurdle	49 580	–	20 Apr 2017	–
	30 Aug 2011	75 040	25,24	Retention	–	75 040	30 Aug 2017	–
Laas, H	6 Mar 2007	515 900	42,33	Special	515 900	–	6 Mar 2017	–
	20 Apr 2011	134 000	23,34	Hurdle	134 000	–	20 Apr 2017	–
	30 Aug 2011	150 080	25,24	Retention	–	150 080	30 Aug 2017	–

Letsema Vulindlela Black Executives Trust

NAME	Date awarded	Number of shares allocated	Strike Price	Condition	Number forfeited in the year	Closing balance	Vesting date	Estimated value
Govender, J	20 Apr 2011	25 000	25,16	Hurdle	–	25 000	31 Dec 2021	–
Mdluli, T	24 Aug 2010	11 500	41,02	Standard	–	11 500	31 Dec 2021	–
	20 Apr 2011	10 000	25,16	Hurdle	–	10 000	31 Dec 2021	–
	30 Aug 2011	25 500	27,70	Standard	–	25 500	31 Dec 2021	–

Remuneration outcomes for non-executive directors

The remuneration policy for the non-executive directors set out in the remuneration policy report was applied in FY2017. The remuneration of non-executive directors for the year ended 30 June 2017 was:

Non-executive directors' remuneration

RAND NAME	Directors' fees '000	Non-attendance '000	Special board '000	Committee fees '000	Chairman's fees '000	**Total 2017 '000**	Total 2016 '000
DD Barber	285		139	279		**703**	661
R Havenstein	285	(23)	186	522		**970**	593
NB Langa-Royds	285		186	364		**835**	593
JM McMahon[1]	69			95		**164**	692
SP Kana	285		186	539		**1 010**	616
XH Mkhwanazi	285	(23)	141	196		**599**	431
M Sello					1 399	**1 399**	1 333
RT Vice[2]	117		139	203		**459**	741
Total	1 611	(46)	977	2 198	1 399	**6 139**	5 660

1 *Retired on 30 September 2016.*
2 *Retired on 30 November 2016.*

AU$ NAME	Directors' fees '000	Non-attendance '000	Special board '000	Committee fees '000	Chairman's fees '000	**Total 2017 '000**	Total 2016 '000
K Spence	100		68	37		**205**	93

"MURRAY & ROBERTS BELIEVES THAT DIRECTORS, SENIOR EXECUTIVES AND EMPLOYEES SHOULD BE PAID FAIR, COMPETITIVE AND APPROPRIATELY STRUCTURED REMUNERATION IN THE BEST INTERESTS OF SHAREHOLDERS."

Fee proposal for 2018

In accordance with King IV the remuneration committee reviews and recommends fee structures to the Board for approval (excluding recommendation on their own fees), before submitting recommendations for approval by shareholders at the annual general meeting.

An inflation-linked increase to the non-executive directors' fees is proposed for 2018.

The proposed fees (excluding Value Added Tax) are tabled below:

		Previous per annum	Proposed per annum
DIRECTOR FEES			
Chairman	Includes director and committee fees[1]	R1 415 000	R1 500 000
Lead independent director	Includes director and relevant committee fees	N/A	R1 050 000
Resident director	Per annum[2&3]	R288 000	R305 000
Non-resident director	Per annum[2&3]	AU$100 000	AU$100 000
COMMITTEE FEES			
Audit & sustainability	Chairman	R267 000	R283 000
	Resident member	R143 000	R151 500
	Non-resident member	AU$10 000	AU$10 000
Health, safety & environment	Chairman	R194 000	R205 500
	Resident member	R99 000	R105 000
	Non-resident member	AU$10 000	AU$10 000
Nomination	Member	R63 000	R67 000
Remuneration & human resources	Chairman	R194 000	R205 500
	Member	R99 000	R105 000
Risk management	Chairman	R194 000	R205 500
	Resident member	R99 000	R105 000
	Non-resident member	AU$10 000	AU$10 000
Social & ethics	Chairman	R194 000	R205 500
	Resident member	R99 000	R105 500
	Non-resident member	AU$10 000	AU$10 000
AD HOC MEETINGS			
Board	Resident member	R47 000	R50 000
	Non-resident member	AU$17 000	AU$17 000
Committee	Resident member	R24 000	R25 500
	Non-resident member	AU$8 900	AU$8 900

1 *Includes fees for chairing the nomination committee and attending all Board committees.*
2 *Calculated on the basis of five meetings per annum.*
3 *A deduction of R25 500 or AU$8 900 per meeting will apply for non-attendance at a scheduled Board meeting.*
4 *A deduction of R10 500 or AU$1000 per meeting will apply for non-attendance at a scheduled Committee meeting.*
5 *Australian resident non-executive directors will receive an annual travel allowance of AU$25 000 to compensate for the time spent travelling to attend meetings.*

In terms of section 66(8) of the Companies Act shareholders are referred to special resolution number 1 included in the loose insert of the printed report regarding approval of the proposed non-executive director fee structure for FY2018.