

## MURRAY & ROBERTS HOLDINGS LIMITED

(“Company”)

### MINUTES OF THE 68<sup>th</sup> ANNUAL GENERAL MEETING OF MEMBERS HELD AT DOUGLAS ROBERTS CENTRE, 22 SKEEN BOULEVARD, BEDFORDVIEW ON THURSDAY 3 NOVEMBER 2016 AT 11:00

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Present: M Sello (Chairman)  
HJ Laas (Group Chief Executive)  
AJ Bester (Group Financial Director)  
DD Barber  
R Havenstein  
SP Kana  
NB Langa-Royds  
XH Mhkwanazi  
KW Spence  
RT Vice

Shareholders and visitors as per attendance register

Secretary: L Kok

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#### 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 369 531 296 ordinary shares were represented in person or by proxy at the meeting. This represented 83.09 % 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 2016 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. 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.

## **6. Election of Directors**

6.1 **IT WAS RESOLVED THAT** R Havenstein be and is hereby elected as a director of the Company. A total of 99.99% voted in favour of the resolution.

6.2 **IT WAS RESOLVED THAT** HJ Laas be and is hereby elected as a director of the Company. A total of 99.98% voted in favour of the resolution.

6.3 **IT WAS RESOLVED THAT** NB Langa-Royds be and is hereby elected as a director of the Company. A total of 99.99% voted in favour of the resolution.

6.4 **IT WAS RESOLVED THAT** M Sello be and is hereby elected as a director of the Company. A total of 99.99% voted in favour of the resolution.

6.5 **IT WAS RESOLVED THAT** KW Spence be and is hereby elected as a director of the Company. A total of 99.32% voted in favour of the resolution.

## **7. Reappointment of External Auditors**

**IT WAS RESOLVED THAT** Deloitte & Touche, with the designated audit partner being Graeme Berry, 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 99.19% voted in favour of the resolution.

## **8. Endorsement of Remuneration Policy**

**IT WAS RESOLVED THAT** the remuneration policy be and is hereby endorsed. A total of 98.41% ordinary shares voted in favour of the resolution.

## **9. Appointment of members of the Audit & Sustainability Committee**

9.1 **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 99.99% voted in favour of the resolution.

9.2 **IT WAS RESOLVED THAT** SP Kana be and is hereby elected as a member and Chairman of the Company's Audit & Sustainability Committee. A total of 99.99% voted in favour of the resolution.

9.3 **IT WAS RESOLVED THAT** KW Spence be and is hereby elected as a member of the Company's Audit & Sustainability Committee. A total of 98.09 % voted in favour of the resolution.

**10. 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 2016, be approved as follows:

|                                |   | <b>per annum</b> |
|--------------------------------|---|------------------|
| Chairman                       | Includes director and committee fees <sup>1</sup> | R1 415 000       |
| Resident Director              | Per annum <sup>2&amp;3</sup>                      | R288 000         |
| Non-resident Director          | Per annum <sup>2&amp;3</sup>                      | AUD100 000       |
| Audit & sustainability         | Chairman  | R267 000         |
|                                | Resident Member                                   | R143 000         |
|                                | Non-resident Member                               | AUD10 000        |
| Health, safety & environment   | Chairman  | R194 000         |
|                                | Resident Member                                   | R99 000          |
|                                | Non-resident member                               | AUD10 000        |
| Nomination                     | Member  | R63 000          |
|                                |   |                  |
| Remuneration & human resources | Chairman  | R194 000         |
|                                | Member  | R99 000          |
| Risk management                | Chairman  | R194 000         |
|                                | Resident Member                                   | R99 000          |
|                                | Non-resident Member                               | AUD10 000        |
| Social & ethics                | Chairman  | R194 000         |
|                                | Resident Member                                   | R99 000          |
|                                | Non-resident member                               | AUD10 000        |
| <hr/>                          |   |                  |
| Ad hoc meetings                |   |                  |
| Board                          | Resident Member                                   | R47 000          |
|                                | Non-resident member                               | AUD17 000        |
| Committee                      | Resident Member                                   | R24 000          |
|                                | Non-resident member                               | AUD 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 R24 000 or AUD8 900 per meeting will apply for non-attendance at a scheduled Board meeting. A deduction of R10 000 or AUD1 000 will apply for non-attendance at scheduled committee meetings.*

*4 Australian resident non-executive directors will receive an annual travel allowance of AUD25 000 to compensate for the extraordinary time spent travelling to attend meetings*

A total of 99.99 % voted in favour of special resolution 1.

11. **Special Resolution Number 2: General Authority to repurchase shares**

**IT WAS RESOLVED THAT**, subject to compliance with the JSE Listings Requirements, the Companies Act, and the memorandum of incorporation of the Company, the directors be and are hereby authorised at their discretion to instruct that the Company or subsidiaries of the Company acquire or repurchase ordinary shares issued by the Company, provided that:

- The number of ordinary shares acquired in any one financial year will not exceed 5% (five percent) of the ordinary shares in issue at the date on which this resolution is passed;
- This must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty;
- This authority will lapse on the earlier of the date of the next annual general meeting of the Company or 15 (fifteen) months after the date on which this resolution is passed; and
- The price paid per ordinary share may not be greater than 10% (ten percent) above the weighted average of the market value of the ordinary shares for the 5 (five) business days immediately preceding the date on which a purchase is made.

A total of 99.99% voted in favour of special resolution 2

12. **Special Resolution Number 3: Financial Assistance to related or inter-related companies**

**IT WAS RESOLVED THAT** the provision by the Company of any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any one or more related or inter-related companies of the Company and/or to any one or more juristic persons who are members of, or are related to, any such related or inter-related company, be and is hereby approved, provided that:

- The specific recipient/s, the form, nature and extent and the terms and conditions under which such financial assistance is provided are determined by the Board from time to time;
- The Board has satisfied the requirements of section 45 of the Companies Act in relation to the provision of any financial assistance;
- Such financial assistance to a recipient is, in the opinion of the Board, required for a purpose, which in the opinion of the Board, is directly or indirectly in the interests of the Company; and
- The authority granted in terms of this special resolution will remain valid for two years after the annual general meeting.

A total of 99.74 % voted in favour of special resolution 3

### 13. **Special Resolution Number 4: Amendments to the Memorandum of Incorporation**

**IT WAS RESOLVED THAT** the Memorandum of Incorporation of the Company be amended in the following manner:

1. a new article 4.3.3 be inserted into the Memorandum of Incorporation, after article 4.3.2, with the following wording:

*"If, on any capitalisation issue or consolidation of Shares, or any other transaction with the Company, Shareholders would, but for the provisions of this Memorandum, become entitled to fractions of Shares, all such fractional entitlements shall be dealt with in accordance with the provisions of the Listings Requirements.";*

2. article 5.1 of the Memorandum of Incorporation be amended by the insertion of the following wording after the last full stop in article 5.1:

*"Without limiting the foregoing, if, on any issue of Securities, or on any consolidation or sub-division of Securities, or on any other transaction with the Company, Securities Holders would, but for the provisions of this MOI, become entitled to fractions of Securities, all such fractional entitlements shall be dealt with in accordance with the provisions of the Listings Requirements.";*

3. article 16.3.3 of the Memorandum of Incorporation be deleted in its entirety and be replaced with the following new article:

*"For the purpose of giving effect to any resolution under article 16.3.1, the Directors may, subject to the Listings Requirements, settle any difficulty which may arise in regard to the distribution as they think expedient (but they may not issue fractional certificates and fractions which would otherwise have been distributed, shall be consolidated and sold for the benefit of Securities Holders who would have been entitled to the fractions to give effect to the Listings Requirements and provided that should any Securities Holders become entitled to fractions of Securities, all such fractional entitlements shall be dealt with in accordance with the provisions of the Listings Requirements), and may fix the value for distribution of any specific assets, and may determine that cash payments shall be made to any Securities Holders upon the basis of the value so fixed, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised fund as may seem expedient to the Directors.";*

4. article 16.3.6 of the Memorandum of Incorporation be deleted in its entirety and be replaced with the following new article:

*"If, as a result of a reduction of capital and/or a resultant distribution of Securities, Securities Holders would, but for the provisions of this Memorandum, become entitled to fractions of Securities, all such fractional entitlements shall be dealt with in accordance with the provisions of the Listings Requirements."*

A total of 99.99 % voted in favour of special resolution 3

### 14. **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 during the meeting.

The Chairman opened the floor for questions from the shareholders.

Mr Alan Shkudsky queried the future of the Company after the number of disposals that have been made over the last couple of years. Being a long-term shareholder, having first held shares in Cementation before it was acquired by Murray & Roberts, he

questioned the direction of the Group being taken. In reply, Ms Sello re-iterated that the strategy to focus on the global natural resources market sectors of metals and minerals, oil and gas, and power and water is sound. It did have the effect of disposing of non-core assets, which have been largely completed with the announcements of the disposals of Genrec and the Infrastructure and Building businesses. Mr Laas explained that at the end of the 2011 financial year, the Group had a liquidity problem, resulting in a R2 Billion rights issue in 2012 and a strategic review followed by a decision to dispose of non-core assets. The Group is no longer a conglomerate and the group strategy dictated that non-core businesses be disposed of. All these businesses which did not present margin opportunity within the Group aspiration of a profit margin range of 5 percent to 7 percent.

Mr Alan Shkudsky expressed his disappointment with the drop in share price from R100 on 2008 to R10 now. Mr Laas explained that this was largely due to the Financial Crisis in 2008, which resulted in the order book dropping substantially with its concurrent effect on the financial results. Mr Laas added that the share was overvalued at the time, and similarly the share was now undervalued.

Mr Alan Shkudsky queried the timing of the acquisition of the Clough Minorities and the price paid. He stated that the current market valuation of Murray & Roberts at R4.5 Billion was less than the acquisition value of the Clough minorities. In reply, Mr Laas stated that the collapse of the Oil price was not foreseen at the time of the acquisition but that Clough is considering to acquire a capability to build projects in the Americas, in anticipation of several opportunities expected to come to market in this region in the medium term. Mr Bester added that the Clough minority acquisition value was AUD 449 million, funded by cash on Clough's balance sheet and a debt facility of AUD 160m. Only AUD 25 million remains to be paid on this facility.

Mr Alan Shkudsky raised questions pertaining the future for the Power & Water division, Open Cast Mining and the ownership of the head office building. Mr Laas provided examples of upcoming projects which will be pursued by the Power business to replace the revenue from the Medupi and Kusile projects. He further explained that opencast mining is a small part of the business, capital intensive, and could be considered as an earth moving business, and would not fit the Cementation platform, which is focused on underground mining only. The head office building is owned by Redefine Properties.

Mr Alan Shkudsky questioned if the Group had the expertise to oversee the Clough businesses. Ms Sello answered that Clough had already been part of the Group for a number of years and the current board is well versed in its operations. Furthermore, Mr Spence, who was the chairman of Clough whilst Clough was listed in Australia, has joined the Murray & Roberts Board and brings many years of Oil & Gas experience to this Board.

Mr Mario Compagnoni introduced himself as a recent new shareholder and indicated his support for the Group's strategy. He asked what the view was on the current oil price and if it would increase anytime soon. Mr Laas answered that the current oil price of \$50 per barrel is not expected to increase much in the near future, and that the current price could be considered the new normal. Mr Bennett, Clough CEO, added that although no Greenfield projects are expected in the short to medium term in Australasia, there will be maintenance required on current projects. New projects opportunities will return once the oil majors expand again.

Mr Alan Shkudsky left the meeting.

Mr Mario Compagnoni requested some clarity on the claims for and against the group. Mr Bester indicated that the Sanral claims will be withdrawn as part of the VRP settlement agreement and was only noted as a contingent liability. The Dubai Airport claims date back to 2008 and are only being heard in an arbitration process commencing in April 2017. Mr Laas added that the Group is withdrawing from the Middle East and is not tendering for new work. Only 4 Projects remain to be completed. He noted that all construction companies in the Middle East are in distress due to cash flow constraints.

**15. Closure**

The Chairman noted that this was the last AGM for Mr Vice, who retires from the Board at the end of November 2016. It was also the last AGM that Mr Zoghby from Deloitte is attending as the designated audit partner, as he retires by rotation at the end of this AGM.

On behalf of the shareholders and the Board, she conveyed appreciation to both gentlemen for their input and counsel over their period of tenure, 11½ years for Mr Vice and 5 years for Mr Zoghby. She wished them well in their future endeavours.

There being no further business to discuss, the Chairman thanked the members for their attendance and closed the meeting at 12:02