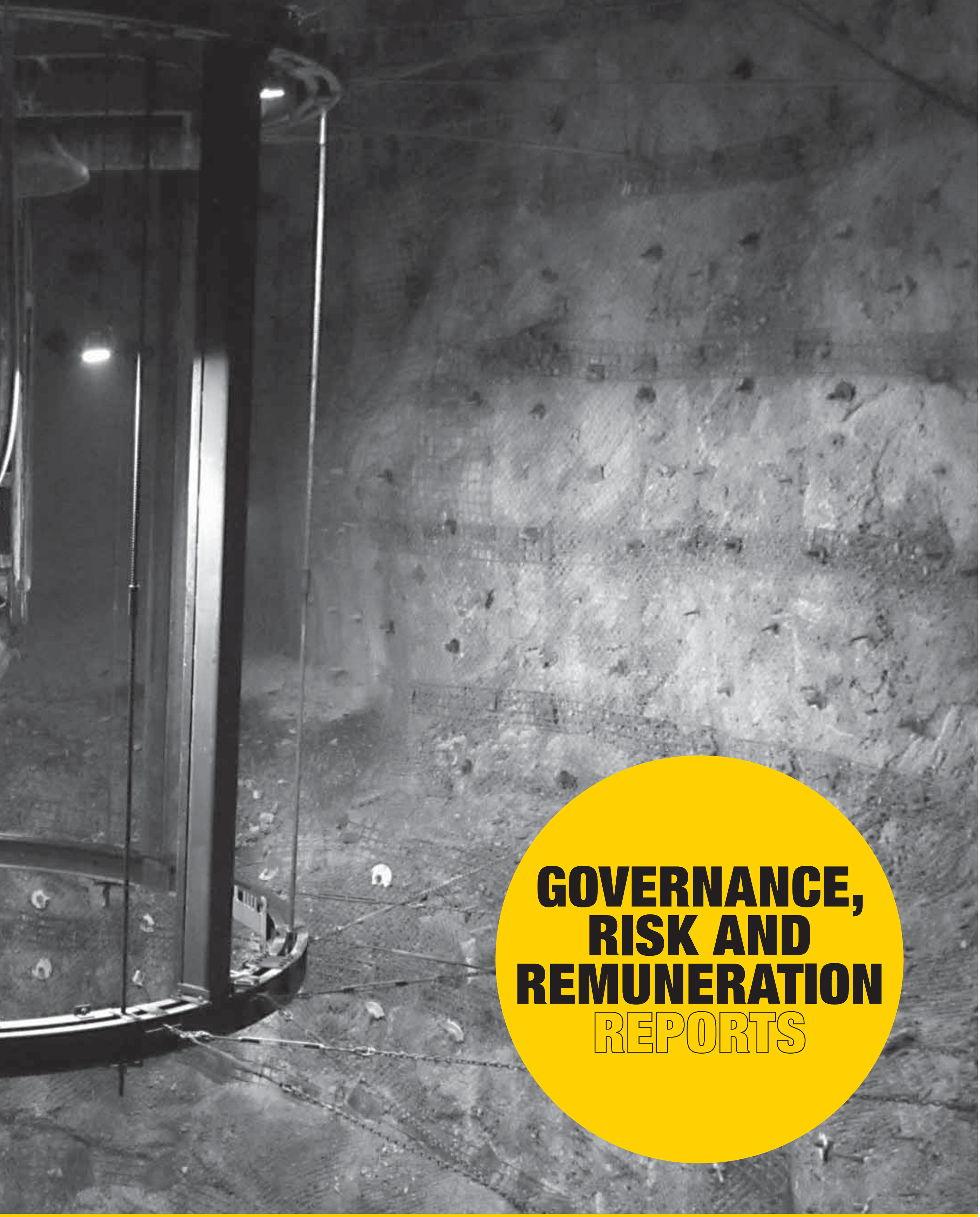
CEMENTATION CANADA
PICADILLY PROJECT
NEW BRUNSWICK, CANADA



GOVERNANCE, RISK AND REMUNERATION REPORTS

BOARD COMMITTEE REPORTS

GOVERNANCE REPORT

STATEMENT OF COMMITMENT

The Board continued to lead the Group in striving to achieve the highest standards of business integrity, ethics and corporate governance, in the pursuit of its business objectives. The Board also encouraged the executive team to conduct the business of the Group with prudence, transparency, integrity and accountability, and as a result it is pleased to present this integrated report.

The Board has continued on its journey of achieving and exceeding the requirements of King III.

The Group now complies with the requirements of King III, save for one of the seven principles affecting the governance of information technology ("IT"). The principle of information security has been identified by management as still requiring improvement to achieve Murray & Roberts' desired level of compliance with this principle. The complete implementation and full embedding of actions identified in the IT security gap analysis (performed against the security strategy and framework) are still in progress and will be closed out in the forthcoming year.

A full table of King III Governance Principles, showing the level of Group compliance is available online at www.murrob.com.

BOARD OF DIRECTORS

At the date of this report, Murray & Roberts had a unitary Board with nine directors, of whom seven are independent non-executive directors and two are executive directors. The composition of the Board promotes a balance of authority and prevents any one director from exercising undue influence over decision-making.

The Board is the Group's highest governing authority and has ultimate responsibility for corporate governance. It appreciates that strategy, risk, performance and sustainability are inseparable and the Board is responsible for approving the strategic direction of the Group, which addresses and integrates each of these elements. The Board is governed by a charter ("the Board Charter") that sets out its accountability, responsibility and duty to the Group through the Company.

Each member of the Board has a fiduciary duty to act in the best interest of the Company and, in discharging his or her duty, ensures that the Company performs in the best interests of its stakeholders. The Company's key stakeholders include at any one time its investors, customers, business partners, employees, regulators and the societies in which it operates.

The Board's key responsibilities in terms of the Board Charter include:

- Providing ethical leadership and direction to the Group in all matters;
- Approving and monitoring the implementation of the strategic plan developed by management;
- Responsibility for risk governance and monitoring key risk areas;
- Responsibility for the governance of IT;
- Directing the commercial and economic fortunes of the Group;
- Ensuring the Group is a responsible corporate citizen by considering the impact of its business operations on its people, society and the environment;
- Monitoring that the Group complies with all relevant laws, rules, codes and standards of business practice through a Compliance Framework;
- Monitoring that the Group's communications with all relevant stakeholders are open and prompt with substance prevailing over form;
- Ensuring shareholders are treated equitably and equally;
- Ensuring that disputes are resolved effectively and expeditiously; and
- Monitoring performance through the various Board committees established to assist it in discharging its duties while retaining full accountability and without abdicating its own responsibilities.

Directors are required to act with due care and skill in all dealings and to uphold the ethics and values of the Group. The Board is required to adhere to a Code of Conduct which incorporates agreed standards of accepted behaviour and guidance on decision-making, promotes integration and coordination, and reaffirms the commitment of each Board member to the Group.

The independent non-executive directors complement the executive directors through the diverse range of skills and experience they bring to bear. They also provide the Board with independent perspectives on corporate governance and general strategy as a whole.

There is an agreed procedure for directors to seek professional independent advice at the Company's expense when they feel the need to seek such advice.

BOARD MEETINGS

The Board formally meets five times a year. In addition, directors meet ahead of the scheduled meeting at which the Group's budget and business plan is examined in the context of an approved strategy. At this meeting, the directors engage with senior executives on the implementation of the Group's strategy.

The Board's policy of visiting areas of the Group's operations on an annual basis has continued. During the year under review, the Board visited the Clough offices in Perth, engaging with key Clough executives.

The Group chief executive keeps all directors informed of major developments affecting the Group between meetings.

SELECTION OF DIRECTORS

The Board has an approved policy on the selection and continuation of office for directors, and the nomination and evaluation processes to be followed. One third of all directors are required to retire annually by rotation and if put forward for re-election, are considered for reappointment at the annual general meeting. All directors are appointed at the annual general meeting by a shareholders' resolution. The Board is permitted to remove a director without shareholder approval for due cause.

The nomination committee considers and makes appropriate recommendations to the Board on the appointment and re-election of directors. This process encompasses an annual evaluation of skills, knowledge and experience, considers South African transformation imperatives and ensures the retention of directors with an extensive understanding of the Group. All recommended director appointments are subject to background and reference checks. Re-election of directors to the Board is made according to a formal and transparent process. Each non-executive director is provided with a formal letter of appointment.

Newly appointed non-executive directors undergo an induction process to familiarise them with the Group. This includes extensive meetings and discussions with Group management.

The Board, assisted by the nomination committee, assessed the independence of the non-executive directors. All non-executive directors meet the criteria for independence, including Michael McMahon who has served on the Board since 2004 and Royden Vice who has served on the Board since 2005. The Board confirmed that it is satisfied that there are no relationships or circumstances which affect or appear to affect their judgement and that their independence is not in any way affected by their respective lengths of service.

CHANGES TO THE BOARD

During the year under review, Thenjiwe Chikane resigned from the Board. No new appointment was made to the Board. Subsequent to year-end, Ralph Havenstein joined the Board as a non-executive director on 1 August 2014. Ralph was appointed to the health, safety & environment committee and to the social & ethics committee.

CHAIRMAN AND GROUP CHIEF EXECUTIVE

The roles of chairman and Group chief executive are separate. They operate under distinct mandates issued and approved by the Board that clearly differentiate the division of responsibilities within the Group and ensure a balance of power and authority.

The chairman, an independent non-executive director, presides over the Board, providing it with effective leadership and ensuring that all relevant information is placed before it for decision. The Group chief executive is responsible for the ongoing operations of the Group, developing its long term strategy, and recommending the business plan and budgets to the Board for consideration and approval.

The Board appoints the chairman and the Group chief executive. The Board appraises and appoints the chairman annually and the remuneration & human resources committee appraises the Group chief executive annually. This committee also assesses the remuneration of the Board, chairman and Group chief executive. The nomination committee is responsible for Board succession planning.

GROUP SECRETARY

Bert Kok is the company secretary, and is responsible for ensuring the proper administration of the Board and that sound corporate governance procedures are followed. All directors have access to the advice and services of the company secretary and have full and timely access to information that may be relevant for the proper discharge of their duties.

The Board evaluates the competency and effectiveness of the company secretary, as required in terms of the JSE Listings Requirements. The evaluation process includes an assessment of the company secretary's eligibility, skills, knowledge and execution of duties. The Board has considered and is satisfied that the company secretary is competent and has the requisite qualifications and experience to effectively execute his duties.

The Board confirms that the company secretary maintains an arms' length relationship with the Board and the directors, noting that the company secretary is not a director of the Company and is not related to any of the directors. The company secretary is independent from management and does not have executive duties and responsibilities, besides the core responsibilities of a company secretary. He is not a material shareholder of Murray & Roberts and is not party to any major contractual relationship with Murray & Roberts.

BOARD COMMITTEES

The Board has established and mandated a number of permanent standing committees to perform specific work on its behalf in various key areas affecting the business of the Group. They are the:

- Executive committee
- Audit & sustainability committee
- Health, safety & environment committee
- Nomination committee
- Remuneration & human resources committee
- Risk management committee
- Social & ethics committee.

GOVERNANCE REPORT continued

Shareholders elect the members of the audit & sustainability committee at each annual general meeting. The audit & sustainability committee still forms part of the unitary Board even though it has statutory duties over and above the responsibilities set out in its terms of reference.

Although all the committees assist the Board in the discharge of its duties and responsibilities, it does not abdicate its responsibilities. The Board and each committee give attention to new and existing governance and compliance matters according to their respective mandates.

Each committee operates according to Board-approved terms of reference, which are reviewed annually and updated where necessary. With the exception of the executive committee, an independent non-executive director chairs each committee. The committee chairmen are appointed by the Board.

Each committee chairman participates fully in setting the agenda and reporting back to the Board at the following Board meeting. As mandated by the individual committee's terms of reference, each committee chairman attends the annual general meeting and is available to respond to shareholder questions on committee activities.

BOARD AND COMMITTEE EFFECTIVENESS

Self-assessment questionnaires on the effectiveness of the Board, its committees and individual directors were conducted during the year. An internal appraisal of the chairman was led by the chairman of the remuneration & human resources committee and discussed by the Board. The appraisals were positive and their recommendations are being followed through for implementation.

The main finding of the Board evaluations was that the Board requires reinforcement with additional members, partly due to upcoming retirements.

EXECUTIVE COMMITTEE

The directors of Murray & Roberts Limited serve as members of the executive committee of the Board, which is chaired by the Group chief executive. The directors of Murray & Roberts Limited support the Group chief executive in:

- Implementing the strategies and policies of the Group;
- Managing the business and affairs of the Group;
- Prioritising the allocation of capital, technical know-how and human resources;
- Establishing best management practices and functional standards;
- Approving and monitoring the appointment of senior management; and
- Fulfilling any activity or power delegated to the executive committee by the Board that conforms to the Company's memorandum of incorporation.

RISK MANAGEMENT, SYSTEMS OF CONTROL AND INTERNAL AUDIT

The Board promotes the rational engagement of risk in return for commensurate reward and is responsible for ensuring that risk management, including related systems of internal control, are formalised and maintained throughout the Group. These systems of risk management and internal control, supported by internal auditing, aim to promote the efficient management of operations, protection of the Group's assets, legislative compliance, business continuity, reliable reporting and the interests of all stakeholders. Details of the Group's risk management process are set out on page 88.

CONFLICTS OF INTEREST AND SHARE DEALINGS

Directors have disclosed their personal financial interests in advance to the Board and are aware that when a matter is considered by the Board in which they have a personal interest, this interest is to be disclosed prior to the Board meeting. These disclosures are noted by the Board when necessary, and recorded in the minutes of the Board meeting.

In accordance with the JSE Listings Requirements, the Group has a policy requiring directors and officers who may have access to price-sensitive information, to be precluded from dealing in the Group's shares, as well as during closed periods. Such closed periods endure from the end of December until the release of the Group's interim results in February of each year and from the end of June until the release of the Group's annual results in August of each year.

To ensure that dealings are not carried out at a time when other price-sensitive information may be known, directors, officers and participants in the share incentive scheme must at all times obtain permission from the chairman, Group chief executive or Group financial director, as the case may be, before dealing in the shares of the Group. The Group secretary is notified of any share dealings and, in conjunction with the corporate sponsor, publishes the details of dealings in the Group's shares by directors and officers that have been approved on the Stock Exchange News Service of the JSE Limited.

SPONSOR

In terms of the JSE Listings Requirements, Deutsche Securities (SA) Proprietary Limited acted as sponsor.

MURRAY & ROBERTS EMPLOYEE AT
MOTLASANA MALL, KLERKSDORP, SOUTH AFRICA

RISK MANAGEMENT REPORT

INTEGRATED ASSURANCE FRAMEWORK

The Group Integrated Assurance Framework coordinates the Group's overall approach to risk management. This entails identifying, assessing, addressing, monitoring, communicating and reporting Group risk, and includes the process of independently auditing adherence to and implementation of Group policies, standards, plans, procedures, practices, systems, controls and activities to ensure that the Group achieves the level of operational efficiency and compliance required by the Board.

The Board-approved Group Integrated Assurance Policy establishes and mandates the risk management, regulatory compliance and internal audit functions; effectively as the three pillars of the Group Integrated Assurance Framework.

The Group Integrated Assurance Framework is depicted as follows:

RISK MANAGEMENT	REGULATORY COMPLIANCE	INTERNAL AUDIT
• STRATEGIC	• LAWS	• GOVERNANCE
• CORPORATE	• RULES	• CONTROL
• OPERATIONAL	• CODES	• RISK
• PROJECT	• STANDARDS	• ENVIRONMENT

GOVERNANCE STRUCTURE

METHODOLOGIES

SYSTEMS OF CONTROL

IMPLEMENTATION PLANS

RISK MANAGEMENT

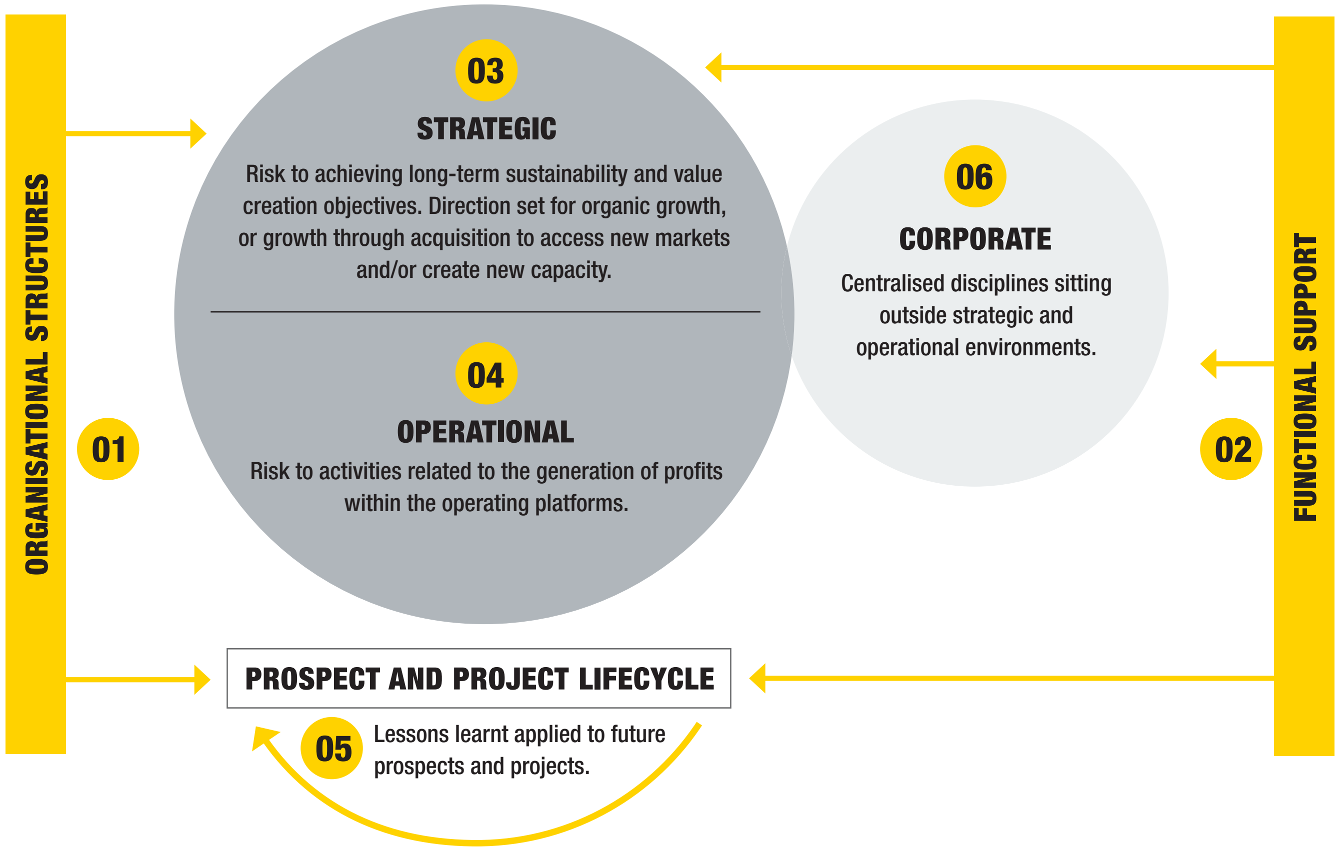
A high level of risk awareness and response has been embedded in daily management and operational activities. Given the size and complexity of the Group, Murray & Roberts acknowledges that risk can never be fully eliminated. For that reason, management has designed and implemented a planned and structured approach to identify, assess, address, monitor, communicate and report the Group's large and complex risks. This includes governance structures (such as the Board risk management committee, the executive committee and the operating platform risk committees), organisational leadership, strategic planning and effective management to ensure that the appropriate operational and functional capacities, as well as controls, systems and processes are in place to manage risk. Underpinning this is the Group Integrated Assurance Framework.

The Group Risk Management Framework constitutes one of three pillars on which the Group Integrated Assurance Framework stands, and aims to:

- Align strategy with risk tolerance;
- Improve and streamline decision-making which improves the Group risk profile;
- Promote the strategic, informed and coordinated procurement of a quality order book;
- Ensure equitable commercial terms and conditions are contracted, together with the rational pursuit of commercial entitlement;
- Promote early and rigorous project reviews, and timeous response to projects showing signs of distress;
- Promote continuous improvement through the application of key lessons learnt;
- Reduce operational surprises, improve predictability and build shareholder confidence;
- Build robust organisational risk structures and facilitate timeous interventions, to promote long-term sustainable growth; and
- Promote the efficient and proactive pursuit of opportunities.

RISK MANAGEMENT FRAMEWORK

The framework within which the Group assesses and addresses risk is described below in terms of its prevailing strategic, corporate, operational and project environments:



01 ORGANISATIONAL STRUCTURES

In addition to the various Group operating board responsibilities, organisational structures have been created and tasked with risk governance and include the operating platform risk committee, the Murray & Roberts Limited risk committee and the Murray & Roberts Limited project oversight committee.

02 FUNCTIONAL SUPPORT

Dedicated risk management support has been created at Group level and within operations, and this includes enterprise-wide risk leadership, risk management monitoring, risk-based auditing and operational and risk committees.

03 STRATEGIC RISK MANAGEMENT

Strategic risk is evaluated as a hurdle to achieving the Group's long-term strategy. Direction is set for organic and acquisitive growth to access new markets and create new capacity, and is also applied to acquisitions, disposals, new business development and timely and needed leadership intervention.

04 OPERATIONAL RISK MANAGEMENT

Operational risk is a potential barrier to achieving planned profits within the Group's operating platforms.

05 PROJECT RISK MANAGEMENT

Project risk is evaluated as a potential barrier to delivering contracted scopes against cost, time and technical performance targets, while maintaining health, safety and environmental performance at acceptable levels. A Project Management Framework sets the minimum standard for project management required in the delivery of projects across the Group. A Project Management Development Programme was successfully launched in FY2014 to enhance and hone project management skills across the Group. The framework also provides internal audit with a consistent set of processes and controls against which project performance is tested. Project risk management activities include the Group risk tolerance filters, lessons learnt register and schedule of contracting principles, project reviews and project dashboards.

06 CORPORATE RISK MANAGEMENT

Corporate risk management relates to a range of portfolios within the Corporate Office which address various forms of risk including risk management standards and procedures, the Statement of Business Principles, regulatory compliance, commercial and legal oversight, integrated assurance, business continuity and information technology disaster recovery, treasury, bonds and guarantees, insurance, crisis communication and forensic investigations.

RISK MANAGEMENT REPORT continued

REGULATORY COMPLIANCE

With the continued growth and expansion of the Group, especially in new geographies and disciplines, regulatory compliance is a large and complex area to understand. This in turn requires a structured approach to evaluate compliance failures and ensure adequate responses are initiated timeously to mitigate and avoid any negative impact on the Group's performance. The regulatory compliance function provides specific focus on regulatory compliance risk within the context of the Group Integrated Assurance Framework.

The key imperative of regulatory compliance is to ensure material compliance across the Group with every law, rule, code and standard where non-compliance could be materially injurious to the Group's performance and/or continued existence, whether from a financial, legal or reputational perspective.

The implementation of the Group Regulatory Compliance Framework focuses on the seamless integration of regulatory compliance (with risk management and internal audit) into business planning, execution and management.

INTERNAL AUDIT

Internal audit is a key element of the Group's assurance structure, and constitutes the third pillar on which the Group Integrated Assurance Framework stands. Internal audit has established a robust, risk-based approach to identify the critical risk management control environment which is relied on by management, and which is to be tested and evaluated for the purposes of providing the Board with the risk management and regulatory compliance assurance it requires to meet its governance objectives. Internal audit follows a planning and execution process through which the risk-based approach is delivered in a consistent manner, followed by detailed reporting and issue tracking.

It is through diligent implementation of the Group Integrated Assurance Framework that the critical risk processes and responses to be included in the internal audit plan are developed. These include interactions with the Group risk executive and the Group legal executive, and with specific reference to their respective mitigation objectives, strategies and plans. The audit plan also encompasses the assessment of Group-wide corporate governance, internal financial controls and risk management procedures, as well as specific areas highlighted by the audit & sustainability committee, Group executive committee and by executive and operational management for separate and dedicated review.

RISK MANAGEMENT PRACTICES

Leaders, tasked with overall governance but who are not involved in the engine room of the business they govern, require line-of-sight to the mechanics for which they are ultimately accountable.

So too in the case of risk management, the Board is responsible for the performance of the Group it governs, but is remote from the details that influence (positively or negatively) the outcomes. For this reason, leadership requires line-of-sight to the controls, procedures, processes and systems that deliver the outcomes to ensure that they are appropriate, complete, robust and timeous in application.

The Group has defined four discrete risk environments, being: Strategic, Corporate, Operational and Project. Each risk has a specific owner, be it an operating platform/board or an individual executive.

In addition, the risk management and internal audit functions, located in the Corporate Office (and which advise on risk management approaches, methodologies and systems), monitor that risk management is diligently exercised at every level across the Group, and in turn separately report to various constituted boards and forums on both the inherent risk and the residual risk across the Group. This reporting is on a materiality basis, so the higher the level of authority, the greater the level of risk filtration.

As a project-based company, the predominant source of risk is in the project area. Murray & Roberts is an international contractor and contracting on a variety of projects, which differ in specification, scope and size, introduces significant risk into the Group. To reduce this risk as far as possible, the following procedures are strictly followed:

- Only competent and experienced executives prepare the bid for submission;
- All opportunities are logged on the Opportunity Management System, which tracks and processes opportunities, subjecting them to a series of risk tolerance filters. These filters are in turn extracted from the delegation of authority matrix, which is approved by the Board;
- In preparing the bid, based on first principles and on a bottom-up basis, the estimating tools used across the Group are proven and validated costing systems. The costing process is comprehensive, and subject to rigorous and independent internal review;
- Risks are identified based on past experience and carved out contractually or priced and then managed within budget;
- Critical bid requirements are the exclusion and/or pricing of known risks, projects must be cash positive, unacceptable risks and unusual contracting terms are prohibited and liability is always limited;
- Prices are usually based on Bill of Quantities and where a lump sum project is accepted, the design must be mature, the scope clear and an efficient mechanism for change management and dispute resolution must be included in the contract;
- An allowance for contingencies (unforeseen or unplanned risks) is added to the bid price to cater for possible risks (threats) that cannot be proactively priced and managed. They are a hedge against risk and are utilised within the framework for which they are established. They are under the control of the project director and the use of a contingency is ratified by the project review committee;
- Generally known suites of contracts are used, such as FIDIC, NEC, JBCC, GCC, and specific attention is placed on the special terms. Bespoke contracts are negotiated based on the detailed guidance of internal and external attorneys;
- Large and complex project bids are subject to independent review and approval by the Murray & Roberts Limited risk committee, which issues a mandate that has to be followed by the project negotiation team. Projects above R3 000 million are escalated to the Murray & Roberts Holdings risk management committee for attention. Any deviation from a mandate is referred back to the relevant risk committee for a final decision;
- The designated executive, identified to lead the project, signs off on the final bid terms and conditions to achieve effective ownership; and
- The Murray & Roberts project oversight committee reviews large and complex projects to ensure performance is in line with the tendered terms and prevailing circumstances (to recognise changes in market conditions). Projects showing signs of distress are also reviewed by this committee, but the objective of the committee is to avoid projects entering into distress by identifying early signs of difficulty and ensuring corrective action is initiated.

To further mitigate project risk, Murray & Roberts has developed a Project Management Framework. A formal bespoke *Project Management Development* programme was launched in FY2014 to train project managers/executives in the discipline of project management. Candidates are appropriately certificated on successful completion of the programme.

Critical to the preparation of bids and successful project delivery is the application of two standards to each bid based on the costly lessons learnt by the Group in the past:

- Group Schedule of Contracting Principles
- Group Schedule of Lessons Learnt.

All bids submitted are tested against the above two standards to ensure that the identified risks are correctly addressed and that errors of the past are not repeated.

The four operating platforms, which comprise the Murray & Roberts Group's project businesses, are also the source of operational risk. Risk exposures typically relate to infringement of laws (including Competition Laws) and human (safety), environmental, commercial, technical and logistical activities. Each operating platform has its own risk committee at which these and project risks are regularly reviewed and assessed, together with responsible management's mitigation actions.

Strategic and corporate risks are associated with the activities of the office of the Group chief executive and the executive committee members operating in the Corporate Office. Risks associated with macro factors, growth (organic and acquisition), new markets, new products, accounting, taxation, banking/bonding, funds transfers and the like are managed within the Corporate Office, reviewed by the risk committee quarterly and reported to Murray & Roberts Limited and Murray & Roberts Holdings Limited.

The formulation of a Group Business Continuity standard and procedure is currently underway and will be implemented by each platform during FY2015.

The practice of risk management has been widely implemented across the Group. Embedding of risk management is being driven by executive management. As a final control over the management of risk across the Group, every Group area and activity is subject to audit, by both external auditors and internal auditors. The Murray & Roberts internal audit function is well resourced to carry out its mandated review and evaluation function, which includes risk management, and its findings are evaluated to corroborate the findings of the risk management function in its assessment of the adequacy of risk management across the Group.

STRATEGIC RISK

NO.	TREND	RISK	MITIGATION
01	>	**Industrial unrest** Ongoing industrial unrest in South Africa continues to cause project delay and disruption. It also adds a further hurdle to the decision-making process for investment in new capital projects, particularly in the mining sector. Strikes have reached a new level in terms of number, duration and violence and have inflicted significant damage to the economy in both the short and medium term. This has had an impact on both project and business performance.	• An Employee Relations Framework has been developed, with the assistance of an employee/industrial relations specialist, and is being implemented across the Group's South African operations. • Contract and commercial management on projects has been further enhanced to ensure early and comprehensive pursuit of commercial entitlements. • There is a continued focus on growing our footprint in less risky markets and sectors.
02	>	**Macro economy** Global demand for commodities is primarily driven by economic growth in China. India has also been identified as a source of global growth, but is trailing China. A slowdown in these economies dampens the demand for commodities, which impacts negatively on businesses servicing the mining industry. Europe's low growth has forced European-based contractors into new markets, with an increased appetite for risk and competition in Africa and the Middle East. Declining business confidence in South Africa, a volatile labour market and power constraints, lead to reduced foreign investment and may further constrain opportunities in the local mining markets. Insufficient South African Government infrastructure spend impacts negatively on a number of business areas within the Infrastructure & Building platform, in particular civils and roads & earthworks.	• Focus on key client relationships to promote negotiated contracts with equitable terms, focusing on value rather than price. • Grow further in the natural resources sector with emphasis on oil & gas and water. • Continue implementation of African growth strategy in selected countries within the East, West and Central African regions. • Focus the Group's South African capacity to align with anticipated Government spend, and size the local operations to align with available opportunities.

KEY RISK: ● OPPORTUNITY ▲ THREAT INCREASING > THREAT STABLE V THREAT DECREASING # CLOSED OUT

RISK MANAGEMENT REPORT continued

STRATEGIC RISK continued

NO.	TREND	RISK	MITIGATION
03	#	**Successful integration after acquisition of Clough non-controlling interests** Clough has retained its Australian identity, been successfully integrated into Murray & Roberts and synergies have been realised.	• Risk closed out.
04	●	**Grow oil & gas markets** Oil & gas is needed to fuel growing global energy demands. Clough is strategically placed to benefit from the positive oil & gas outlook and become a meaningful player and facilitator in the growing African gas fields, in addition to its traditional Australasian markets. The successful acquisition of the non-controlling interests in Clough and alignment of Clough's operations position Murray & Roberts to develop and grow this market.	• Develop low-cost engineering centres in the United Kingdom and South Africa. • Establish a presence in areas where the oil & gas majors are located. • Develop coal seam gas upstream engineering, procurement and construction ("EPC") project delivery capability. • Establish joint ventures with other Murray & Roberts platforms to explore East African oil & gas opportunities.
05	#	**Construction Products Africa operating platform** The disposal of the Construction Products Africa businesses has been completed.	• Risk closed out.
06	∨	**Group liquidity** While Murray & Roberts is in a cash positive position through enhanced operating performance, the settlement of the Gorgon Pioneer Materials Offloading Facility ("GPMOF") and completing other cash preservation and generative initiatives, outstanding claims may constrain our ability to make additional acquisitions and meet growth targets.	• Resolve outstanding claims, including Dubai International Airport and Gautrain. • Continue to manage overheads and improve project performance.
07	>	**Transformation** Lack of compliance with Employment Equity and BBBEE requirements could reduce the likelihood of Murray & Roberts being successful in winning South African tenders and increase the likelihood of client sanction or penalties on current South African projects being imposed if contractual BBBEE obligations are not met.	• Monitor requirements in terms of new BBBEE codes and employment equity targets. • Improve management control, employment equity, skills development and enterprise & supplier development within each South African operating company.
08	∨	**Leadership capacity to support growth strategy** The Growth strategy continues to place demands on leadership capacity, especially in the Underground Mining platform.	• A new remuneration policy is in place focusing on performance and retention of key talent. • Performance management and development as a leadership tool has been embedded within the Group. • Regular succession reviews are held to identify potential talent retention risks and apply appropriate career planning strategies to individuals.

KEY RISK: ● OPPORTUNITY ∧ THREAT INCREASING > THREAT STABLE ∨ THREAT DECREASING # CLOSED OUT

OPERATIONAL RISK

NO.	TREND	RISK	MITIGATION
09	>	**Health, safety and environmental exposures** The Group has made significant progress in managing safety risk, with a record-low LTIFR of 0.8 achieved in the reporting period. Regretfully there were four fatalities in FY2014. Anything more than Zero Harm remains a concern.	• The first phase of the *Zero Harm through Effective Leadership* programme, which is aimed at establishing a purpose-driven culture that will ensure sustainable improvement in health and safety, has been completed. • The *Visible Felt Leadership* initiative has been rolled out throughout the Group and is being monitored for effectiveness. • Monitoring and reporting of Life Saving Rules violations are underway. • First Fatal Risks Control Protocol ("FRCP") self-assessments were undertaken. • The *Philisa Employee Health and Wellness* programme has been rolled out in South Africa to improve health and wellness standards and performance across the Group. • Environmental reporting standards have been enhanced to ensure consistency and improvement of the quality of environmental data. Qualitative environmental improvement targets are being used as the basis for further improvement of the environmental programme.
10	V	**Competition law and repeat collusive acts** Settlement has been reached with the Competition Commission on all legacy matters. Focus through training, information sharing and executive declarations is ongoing, ensuring that there are no repeat collusive acts.	• Enhance induction programme for new employees and ensure competition law training is rolled out annually to every affected employee. • All executives sign competition and anti-bribery & corruption declarations biannually. • All tenders include signed declarations regarding the prohibition of unethical and unlawful practices.

KEY RISK: ● OPPORTUNITY ^ THREAT INCREASING > THREAT STABLE V THREAT DECREASING # CLOSED OUT

RISK MANAGEMENT REPORT continued

PROJECT RISK continued

NO.	TREND	RISK	MITIGATION
11	>	**Project performance** A number of projects within the Group's portfolio continued to deliver losses during the year under review. The primary causes continue to be (i) inability to secure labour rates at tender prices and achieve the tendered productivity levels, (ii) escalating labour unrest causing delays and (iii) scope variations with outstanding claims (which have not been taken into account).	• Continuously review and update tender labour rates to reflect productivity and efficiency of local labour pools. • Management regularly reviews underperforming projects to revisit and revise recovery plans and programmes. • Clients are engaged to find common cause around the recovery plans. • Oversight committee to continue reviewing projects in distress and provide guidance until improvements are embedded.
12	#	**Lack of formalised project management discipline** A comprehensive project management system setting out project management, controls, procedures and processes has been formalised based on Project Management Body of Knowledge ("PMBOK") and all project leaders and executives have attended or are scheduled to attend a training programme within FY2015.	• Risk closed out.
13	V	**Risk at tender stage and commercial close** There is a risk of bidding and winning projects with onerous project conditions and/or unacceptable commercial conditions.	• All prospects are classified in terms of the nine risk tolerance filters. • All prospects are registered on the Opportunity Management System, thereby ensuring process assurance through the inbuilt workflow system. • Risk registers are completed for all tenders and projects. • All high-risk tenders are tabled at risk committee meetings. • All contracts are independently reviewed to ensure that they are in line with the mandate given by the risk committee. • Commercial close-out is completed diligently for every project.
14	>	**Kusile (Mechanicals) and Medupi (Civils and Mechanicals)** The recent wide-scale and prolonged industrial action has placed pressure on the underlying contractual relationships. There is a risk of not being compensated for losses due to lost time and disruption.	• Rigorous contract management and administration is being exercised. • Clients are being engaged to resolve outstanding matters. • Disputes will be arbitrated if they cannot be resolved amicably.

KEY RISK: ● OPPORTUNITY ^ THREAT INCREASING > THREAT STABLE V THREAT DECREASING # CLOSED OUT

NO.	TREND	RISK	MITIGATION
15	>	**Uncertified revenues** Uncertified revenues taken to book on Dubai International Airport and Gautrain must still be realised through protracted claims processes. This creates the risk of a write-back of revenues accounted for in prior financial years if the outcomes are less favourable than anticipated.	• Replaced the Dubai legal team and briefed the new team to find an early resolution to the dispute. • The arbitration ruling on the Gautrain water ingress, while finding that the tunnel is functionally safe to operate, was ruled in favour of Province in relation to specification. A provision to effect the necessary remedial work has been raised. The delay and disruption claim progresses and continues to receive the full attention of a dedicated legal team, working with committed executives, to ensure that the case is pursued in the most competent and comprehensive manner.

KEY RISK: ● OPPORTUNITY ^ THREAT INCREASING > THREAT STABLE V THREAT DECREASING # CLOSED OUT

REMUNERATION REPORT

INTRODUCTION

Murray & Roberts believes that directors, senior executives and staff 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 align with the business strategy of the Group.

The Group's remuneration policy continues to be driven by the principles of developing a performance culture and motivating and retaining key and critical talent.

The Board and the remuneration & human resources committee ("remuneration committee") present this remuneration report. It discloses the remuneration policy on executive remuneration and some aspects of remuneration below executive level with regard to fixed and variable components. On recommendation by the remuneration committee, the Board has approved the information in this report.

REMUNERATION & HUMAN RESOURCES COMMITTEE

The remuneration committee is a committee of the Board and met five times during the year.

Membership of this committee, attendance and the committee's terms of reference is provided on page 104.

The key decisions taken during the year by this committee were:

- 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 FY2015;
- Approval of short-term incentive payments in respect of FY2014;
- Approval of long-term incentive awards made in respect of FY2014 and underlying performance conditions;
- Review and approval of non-executive director fees for FY2015, excluding approval of any recommendation on their own fees;
- Review and approval of minor changes to the remuneration policy for FY2015;
- Review and approval of retention and long-term incentive schemes for Clough executives; and
- Review and approval of the Group's remuneration report and policy for inclusion in the 2014 integrated report.

REMUNERATION POLICY

The Murray & Roberts remuneration policy is aligned to the Group strategy, namely Recovery in the short term and sustainable growth into the future through its *New Strategic Future* plan. Murray & Roberts recognises that its remuneration policy should be formalised across all the Group's operating companies to drive synergies, however, it needs to remain flexible enough to acknowledge differences across operating companies, with varying market conditions and external benchmarking, per operating platform.

To give effect to the general remuneration philosophy that directors, senior executives and salaried staff should be paid fair, competitive and appropriately structured remuneration in the best interests of shareholders, the following broad principles are applied:

- Remuneration consists of fixed and variable components, with emphasis on variable pay at higher 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 the services of high-calibre employees;
- The short-term incentive plan aligns the interests of executives with those of shareholders in the short term as performance bonuses are subject to company key financial performance and individual key performance indicators ("KPIs"); and
- The long-term incentive plan and awards to participants are subject to the satisfaction of financial performance conditions supporting long-term shareholder value creation.

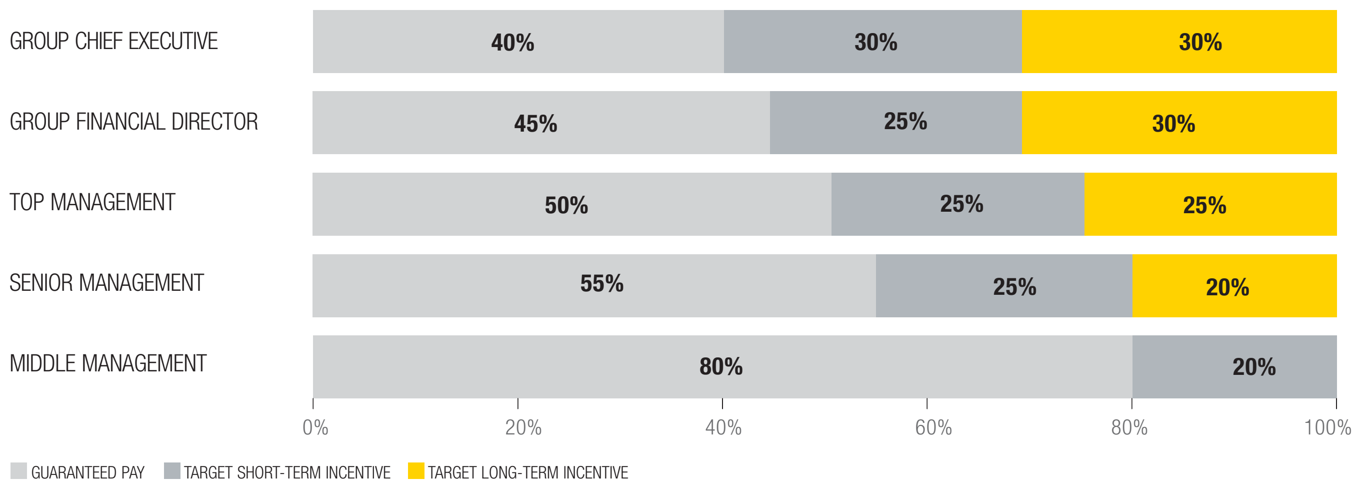
The remuneration committee ensures that the mix of remuneration, including short-term and long-term incentives, meets the Group's strategic objectives.

Murray & Roberts has the following remuneration components:

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

The company seeks to position guaranteed pay at the median against appropriate national benchmarks, however, for total pay the policy is to position earnings at the 75th percentile for executives, senior management and key talent and critical skills. This policy supports the underlying principle of paying for performance and the focus on variable pay.

The Group has benchmarked all components of executives' remuneration to determine an on-target remuneration mix which supports the Group's business strategy. This optimal remuneration mix (for on-target performance), which focuses on variable remuneration for particularly the Group chief executive and Group financial director, is depicted on the next page.



Guaranteed pay

Guaranteed pay is aimed at reflecting individual contribution to Murray & Roberts and market value for the role, with internal and external equity being cornerstones for setting guaranteed pay.

Establishing internal equity entails a process of formal job matching to ensure greater internal alignment, particularly between operating businesses within operating platforms. In terms of external equity, which is essential to compete for scarce talent, a total pay benchmarking philosophy is adopted. Benchmarking is performed relative to peer companies for executive directors and prescribed officers against companies listed on the JSE which are of a similar size and nature, in terms of market capitalisation and sector. The Clough CEO, who is reported as a prescribed officer, is benchmarked against an appropriate group of Australian Securities Exchange-listed engineering and construction and oil & gas operator companies.

Benchmarking is also performed against Group comparator industries, where data from third-party salary survey service providers is used.

The average remuneration adjustment for executive directors and prescribed officers for FY2015 (effective 1 July 2014) was 6,4% (2014: 10%). The total adjustment is aligned to the average Murray & Roberts increase awarded in March 2014 for other salaried employees of 6,5%. It includes an adjustment for certain executives to better align guaranteed pay to median guaranteed pay using appropriate national and peer company benchmarks.

The payments made to executive directors and prescribed officers for FY2014 are disclosed in note 42.3 to the consolidated annual financial statements.

Murray & Roberts operates a total fixed cost of employment to company ("TFCE") remuneration structure for guaranteed pay. Therefore, benefits such as travel allowances, insurance policies relating to death-in-service and disability, Group life benefits and medical aid are included in TFCE.

Salaried employees in South Africa contribute to the Murray & Roberts Retirement Fund, which is a defined contribution pension fund governed by the Pension Funds Act.

Employees of Murray & Roberts in the Middle East region are not required to belong to a retirement fund, while in Australia contributions are made, as part of TFCE, to a superannuation fund structured as a defined contribution fund. In Canada and USA, contributions, as part of TFCE, are made to a registered retirement fund.

Short-term incentives

The purpose of the STI scheme is to drive company and team financial performance, as well as individual performance for non-financial related measures, in order to deliver sustained shareholder value.

The STI scheme is designed to be self funding. On-target bonus projections are used to ensure affordability and financial measures such as earnings before interest and tax and actual profit are used to calculate the bonus provision accrual.

As Murray & Roberts believes that all employees should be aligned with key business drivers and sustainable growth, participation in the STI also includes middle management, junior management and general staff, subject to the meeting of individual KPIs.

Targets for earning STI payments for executives consist of both financial and individual targets. The Group chief executive, Group financial director and operating platform executives have a 70% weighting in favour of financial targets, while other prescribed officers have a 60% weighting. For the 70% financial target weighting for operating platform executives, 50% of the potential STI is linked to their platform financial measures and 20% to Group financial targets.

The STI disbursement is based on bonus qualification levels as a percentage of TFCE, which is determined based on grade and performance against agreed financial and/or individual KPIs as per the individual's performance contract and applied on a sliding scale between threshold, target or stretch performance. Performance below threshold attracts no STI payment for the specific component of the STI below threshold, where threshold for financial KPIs is 80% of target. The STI disbursement is capped at stretch performance or 120% of target. The potential maximum STI disbursement as a percentage of TFCE is 150% for the Group chief executive, 125% for the Group financial director and 100% for prescribed officers.

Financial performance KPIs are measured against audited annual financial performance and are net of bonus accruals. Individual performance KPIs are based on a formal performance and development evaluation conducted by executive's direct manager.

REMUNERATION REPORT continued

Performance against the FY2014 targets are summarised below:

KPA	KPI	Evaluation	Comments
1. Financial	a. Profitability		EBIT of R1,533 million achieved relative to target of R1,200 million for continuing operations.
	b. Cash flow		Net cash of R1,782 million achieved relative to target of R1,037 million, after the acquisition of the Clough minorities.
	c. Returns		ROICE of 21,5% achieved relative to WACC plus 3% or 15,5%.
2. Leadership	a. Strategy implementation		*Recovery & Growth* strategic plan closed out successfully, including the acquisition of the Clough minorities.
	b. Transformation & diversity		Group BBBEE rating improved to Level 2 above target of Level 3, however ability to attract black and female executives proved to be a challenge.
	c. Leadership succession & development		Successful development of a new leadership framework to align leadership development to the Group's strategic future. Performance management and succession planning is well established at executive level.
3. Relationship	a. Stakeholder engagement		Relations with most stakeholders have improved, however distrust between the South African Government and the construction industry persists.
	b. Employee relations		Satisfactory progress made in developing employee relations plans to mitigate the increased level of labour unrest in South Africa. The South African operations improved their rating in terms of the *Deloitte Best Company to Work For Survey* and Cementation Canada is again rated as a Top 100 employer in Canada.
4. Operational	a. Good governance		The Group continues to implement good governance practices with a focus on legal compliance and King III application.
	b. Commercial management		The GPMOF claim was satisfactorily settled in the year, however progress on Gautrain and Dubai International Airport claims remain slow. Significant improvement in contract management and lessons learnt practices in the business.
	c. Project performance		The focus on several projects in distress has limited negative impact and no new projects in distress have been identified. A comprehensive project management development programme has been implemented leading to certification for key project management personnel.
5. Risk	a. Health, wellness & safety		Regrettably four employees lost their lives through work-related incidents, however there has been an improvement in LTIFR (0.80) and TRCR (3.94) rates, which are below targets and are industry leading.
	b. Risk management		There has been a marked improvement in risk management practices across the Group and internal audit is a well-established discipline and no material findings were reported.
	c. Environment		Environmental reporting has improved and no major environmental incidents were reported.

Not fully achieved *Achieved*

Please refer to page 104 for commentary by the chairman of the remuneration committee on the Group's performance during FY2014.

The remuneration of executive directors and prescribed officers for FY2014 is disclosed in note 42.3 to the consolidated annual financial statements.

The total STI payment to the executive directors and prescribed officers is 89% of their aggregate TFCE and 82% of their potential stretch bonuses. The payments reflect the Group's performance during FY2014 as summarised on the opposite page and discussed under the Group performance review section of the integrated report.

Murray & Roberts implemented an automatic deferral of part of the calculated STI for executive directors, prescribed officers and operating company managing directors into forfeitable share awards as a long-term share incentive to enhance alignment with shareholders' interests. The deferral will be phased in over a three-year period as follows: 10% of STI in FY2013; 20% of STI in FY2014 and 30% of STI in FY2015. The deferred forfeitable shares will vest in equal tranches over a three-year period from the date of award and will be subject to continued employment but not to performance conditions. Deferral of STI payments to Clough executives will be into phantom share awards under the Clough Phantom Share Plan.

The financial measures for executive directors and prescribed officers for the FY2015 STI will be the same as FY2014, namely Group EBIT, operating platform EBIT, Group Net Cash and Group Return on Invested Capital Employed, with the addition of Free Cash Flow at both Group and operating platform levels. The individual measures of leadership, relationships, operational excellence, safety and risk are designed to maintain a sustainable, profitable business in the long term.

Long-term incentives

The overall purpose of the Murray & Roberts LTI schemes is to 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.

Murray & Roberts introduced the Murray & Roberts Holdings Limited Forfeitable Share Plan ("FSP") in FY2013 following shareholder approval. The historical option type plan, namely the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Share Option Scheme") is being phased out.

With the acquisition of the minority interests in Clough, Murray & Roberts has introduced a phantom share plan to replace the previous LTI schemes in place in Clough. Consideration was given to include the Clough executives in the FSP but due to tax, regulatory and administrative constraints and change management considerations, it was decided to introduce a Clough-specific scheme, where the Clough executives are focused on the performance of Clough and remunerated on their direct area of influence. The Clough LTI scheme mirrors the FSP, ensures alignment between Clough and Murray & Roberts shareholders and will facilitate a smooth integration of Clough. We will in time consider options to include certain Clough executives in the FSP.

Murray & Roberts allocates shares to South African black executives through the Letsema Vulindlela Black Executives Trust ("Letsema"), which was established in December 2005 as part of the Group's BBBEE shareholding structure.

SHARE OPTION SCHEME

The last award under the Share Option Scheme was made in July 2012 and no further awards will be made.

Outstanding awards in terms of the Share Option Scheme will continue to vest, mostly subject to the meeting of performance conditions.

The outstanding option awards made in terms of the Share Option Scheme for executive directors and prescribed officers are disclosed in note 42.3 to the consolidated annual financial statements.

During FY2014, 4 757 000 share options lapsed as the prevailing share price was below the option strike price at time of expiry or performance conditions were not met and 662 195 share options were surrendered by departing employees. As at 30 June 2014, 78% of the outstanding share options were "under water", i.e. where the share price was below the option strike price.

Executive directors and senior management were eligible to participate in the Share Option Scheme. Non-executive directors were not eligible to participate in the Share Option Scheme.

A summary of the salient features of Share Option Scheme is available in the 2012 integrated report and on the Murray & Roberts website at www.murrob.com.

FORFEITABLE SHARE PLAN

Introduction

The Murray & Roberts Holdings Limited FSP:

- Provides shareholder alignment which is essential for a LTI to succeed through share ownership by executives;
- Is less leveraged and has less upside than option type plans, but provides more certain outcomes;
- Aids retention and provides more certainty as a FSP instrument is less volatile than option type instruments; and
- Supports the Group's policy of attracting and retaining the key talent and expertise required for its business strategy.

REMUNERATION REPORT continued

Award levels

Annual allocations of forfeitable shares under the FSP will be made on a consistent basis to ensure long-term shareholder value creation. This ensures that executives are not faced with an "all or nothing" reward scenario and the impact of the cyclical nature of the business is smoothed. Annual allocations will be benchmarked and set to a market-related level of remuneration.

The remuneration committee has discretion when making FSP awards and will make awards with reference to the individual performance of the executives. Annual allocation and aggregate caps will be applied, with the aggregate cap being between four and six times TFCE for executive directors and prescribed officers.

On an annual basis, the remuneration committee will review LTI allocations to ensure its continued contribution to shareholder value and adherence to best practice award guidelines. The remuneration committee is also responsible for the governance relating to all LTIs and will ensure that allocations are made consistently subject to stringent performance conditions.

Performance conditions

For annual awards, all vesting under the FSP will be subject to a mix of performance conditions, namely:

- Return on Invested Capital Employed ("ROICE")
- Relative Total Shareholder Return ("TSR")
- Free Cash Flow per Share ("FCF")

The calculation, targets and weighting for each of the performance conditions for the FSP are contained in the table at the bottom of this page:

For each of the above performance conditions, targets will be set for on-target performance with commensurate linear vesting levels between threshold and on-target performance. Threshold will be set at 80% of target and will be evaluated at the end of the three-year performance period.

Peer companies to be used for the TSR performance measure are Aveng, Group 5, WBHO, Basil Read and Steffanuti Stocks.

The remuneration committee considers the performance targets to be stretching in the context of the Group's business strategy and the market conditions.

Due to the annual allocations cliff vesting will apply, subject to the performance conditions, three years from the award date.

A total number of 3 774 900 forfeitable shares have been allocated under the FSP on 1 September 2014, of which 968 500 forfeitable shares to the value of R23,7 million are allocated to the executive directors and prescribed officers.

All awards were subject to the performance conditions set out above and no retention awards were made.

The FSP awards for executive directors and prescribed officers are disclosed in note 42.3 to the consolidated annual financial statements.

The FSP provides for retention allocations, however, retention allocations will only be used in very specific, ad hoc circumstances for retention of critical skills, and will be approved by the remuneration committee in terms of the FSP rules.

Non-executive directors are not eligible to participate in the FSP.

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

DILUTION AND SETTLEMENT

The aggregate number of shares at any one time which may be allocated under the Share Option Scheme and the FSP shall currently not exceed 33 189 262 shares. This represents 7,5% of the number of shares currently in issue. The remuneration committee recommends to shareholders that the 7,5% be reduced to 5,0% or 22 236 806 shares.

Shareholders are referred to ordinary resolution number 11 on page 129 of this report regarding approval of the amendment of the overall dilution limit under the FSP and the Share Option Scheme.

The maximum number of shares allocated to any participant in respect of all unvested awards under the FSP and the Share Option Scheme, shall not exceed 2 223 681 shares. This represents 0,5% of the number of shares currently in issue.

Settlement for the November 2012 and August 2013 awards was by way of using treasury shares, shares held by the Murray & Roberts Trust and market purchases and the August 2014 allocation was settled through a market purchase thereby not resulting in any dilution to shareholders. The intention is to settle future FSP awards by way of market purchases.

FSP PERFORMANCE CONDITIONS AND WEIGHTING

Criteria	Calculation	Target	Weighting
ROICE	$\dfrac{\text{Taxed EBIT + Income from Associates}}{\text{Total Capital Employed}^{(1)}}$	WACC plus 3%	50%
TSR	$\dfrac{\text{Share price end of period – Share price start of period + Dividends paid during period}}{\text{Share price start of period}}$	100% relative to peers	25%
FCF	$\dfrac{\text{Operating Cash Flow – CAPEX + Proceeds on disposal of PPE}}{\text{Number of shares}}$	November '12 & August '13 Cash positive; August '14 Forecast cash flow	25%

Note: (1) Total capital employed = total equity + interest bearing debt – net assets held for sale – cash + advance payments.

CLOUGH PHANTOM SHARE PLAN

Introduction

The overall purpose of the new Clough Phantom Share Plan ("CPSP") is to provide general alignment between the Clough executives, Murray & Roberts and the shareholders of Murray & Roberts, to motivate and reward executives who contribute to Clough's value creation over the long term and to support retention and attraction of Clough executives.

Award levels

Annual allocations of phantom shares will be made on a consistent basis to ensure long-term shareholder value creation. Annual allocations will be benchmarked and set to a market-related level of remuneration. Annual allocation and individual limits will be applied. The level of allocations is aligned to the Murray & Roberts FSP scheme. The remuneration committee is responsible for the governance relating to the CPSP and will ensure that allocations are made consistently subject to stringent performance conditions.

An award of phantom shares will be made based on the employee's base salary (including vehicle allowance), job level, performance, retention requirements and market benchmarks.

The value of the phantom shares will be equal to the deemed market value of a Clough share. The value of Clough shares will be determined as at 30 June each year based on the median price-earnings multiples of selected listed Australian peer companies against the audited financial results for Clough.

The first allocation under the CPSP will be made on 1 October 2014 where 3 297 500 phantom shares to the value of A$3.17 million will be allocated to 26 executives, of which 2 135 500 phantom shares are allocated to the Clough executive officers including the Clough CEO.

Performance conditions

For annual awards, all awards under the CPSP will be subject to a mix of performance conditions, namely:

- Clough's Average Return on Invested Capital Employed ("ROICE")
- Clough's Average Return on Equity ("ROE")
- Clough's Relative Growth in Net Profit After Tax ("RGNPAT")
- Clough's Free Cash Flow ("FCF") generated

The targets and weighting for each of the performance conditions under the CPSP are as follows:

Criteria	Target	Weighting
ROICE	WACC plus 3%	25%
ROE	17,5% through cycle	25%
RGNPAT	100% relative to peers	25%
FCF	Free cash flow	25%

80% of the phantom shares awarded will vest at threshold performance and 100% will vest at on-target performance or better. Linear vesting will be applied between these points.

Peer companies to be used for the RGNPAT performance measure are Ausenco, Calibre Group, GR Engineering, Lycopdium, Monadelphous, Sedgman, Transfield Services, WorleyParsons and UGL.

The performance conditions will be evaluated over a three-year period and will run concurrently with Clough's financial year. The phantom shares will cliff vest, subject to the above performance conditions, three years from the award date.

Settlement

The phantom shares will be settled in cash or Murray & Roberts shares at the date of vesting. The monetary value to which a Clough executive will become entitled as a result of the vesting of phantom shares will be the market value of a Clough share on vesting date multiplied by the number of phantom shares to vest.

The employees will give no consideration for the award or settlement of an award.

LETSEMA VULINDLELA BLACK EXECUTIVE TRUST

The objective of Letsema is to provide black executives the opportunity to become shareholders in Murray & Roberts and as an attraction and retention incentive. In addition, Letsema aims to align the interests of black executives with those of the shareholders.

The beneficiaries of Letsema 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.

Allocations are based on management band, performance and potential of the individual and the number of shares allocated was determined with reference to the face value of shares to be allocated relative to the employee's TFCE.

A total number of 1 441 500 shares have been allocated under Letsema on 1 September 2014.

Black executives who are top or senior executives as members of operating company executive committees were allocated shares under the FSP.

Executive share ownership

Murray & Roberts wishes to better align the interests of executives with those of shareholders by encouraging executives to build a meaningful shareholding in the Company. A first move towards this was through the introduction of part deferral of STIs into forfeitable shares, where 20% of the FY2014 STI has been deferred into forfeitable shares. The first third vesting of the 2013 STI deferral into forfeitable shares occurred in August 2014 and all executive directors and prescribed officers have opted to retain their shareholding.

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.

RETENTION AND OTHER PAYMENTS

No retention or severance payments were made during the year to executive directors or prescribed officers.

Following the Clough Transaction, the Clough CEO received a payment under his then employment contract relating to material diminution of his responsibilities. The material diminution clause has been removed from his contract of employment.

Detail of the payment is disclosed in note 42.3 to the consolidated annual financial statements.

REMUNERATION REPORT continued

Following the acquisition of the non-controlling interests in Clough, Murray & Roberts put in place a financial retention plan for the Clough CEO and select senior executives in Clough. The Clough CEO's retention plan is self funding and linked to stretching financial performance conditions that will determine the potential retention payment. Payments will be made three and five years from the date of acquisition of Clough, with the quantum being capped at three times the Clough CEO's base salary in the fifth year. The other executives have a three-year scheme subject only to continued employment. The retention plan is independent from the annual STI scheme and the long-term phantom share plan scheme.

CONTRACTS OF EMPLOYMENT – EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months, other than the Clough CEO, who has a 12 month notice period, should Murray & Roberts terminate his employment or a six month notice period should he resign. There is no material liability to the Group with respect to the termination of contract of any executive director or prescribed officer. The applicable 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. Further, no agreements have been entered into with the executive directors or prescribed officers regarding restraint of trade, other than the Clough CEO who has a non-competition clause in his contract of employment.

The only provision in the contract of employment for executive directors and prescribed officers (other than the Clough 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 TFCE.

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.

SHAREHOLDERS' NON-BINDING ADVISORY VOTE

In terms of King III and best practice principles, the remuneration policy as contained in this remuneration report will be put to a non-binding shareholders vote at the annual general meeting of shareholders.

Shareholders are referred to ordinary resolution number 7 on page 128 in this regard.

NON-EXECUTIVE DIRECTORS

Non-executive directors are appointed for a period of three years and, following this period, may be available for re-election for a further three-year period. They are required to retire at age 70.

Non-executive directors receive a fee for their contribution to the Board and its committees of which they are members. The fee paid to the chairman includes a director's fee, as well as committee fees. In addition to a fee, non-executive directors are entitled to claim travelling and other expenses incurred in carrying out the business of the Group and attending Board and committee meetings.

Non-executive directors do not participate in the STI or any LTI scheme and they do not receive any benefits other than those disclosed.

To the extent that a non-executive director does not attend a scheduled Board or committee meeting, an amount will be deducted from his or her fee. Where a non-executive director is required to attend a special Board or committee meeting, he or she will receive an additional fee in respect of their attendance, with the exception of the remuneration and human resources committee, where one additional special committee meeting is included in the committee fee.

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 level of fees for service as directors, additional fees for service on Board committees and the chairman's fee are reviewed annually. The 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. Consideration is also given to any changes in the level of complexity of the roles when assessing fee recommendations and benchmarks.

Remuneration details of non-executive directors for the year to 30 June 2014 are set out in note 42.3 to the consolidated annual financial statements.

In accordance with King III the remuneration committee reviews, based on external benchmarks, 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 increase to the non-executive directors' committee fees is proposed for 2015. This proposed increase is due to:

- External benchmarking indicating that Murray & Roberts is remunerating non-executive directors at levels lower than the Group's peer group;
- The need to attract suitable, high calibre non-executive directors; and
- An increase in time investment required by non-executive directors due to the global nature of the Group, its risk profile and an increase in general corporate governance requirements.

In terms of section 66(8) of the Companies Act shareholders are referred to special resolution number 1 on page 130 of this report regarding approval of the proposed non-executive director fee structure for 2015.

KUSILE POWER STATION
MPUMALANGA, SOUTH AFRICA

BOARD COMMITTEE REPORTS

REMUNERATION & HUMAN RESOURCES COMMITTEE

ROYDEN VICE

The remuneration & human resources committee assists the Board to fulfil its corporate governance supervision responsibilities and to align the remuneration philosophy with the Company's business strategy. The key focus in this regard is to attract, retain, motivate and reward directors, senior executives and staff by 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 by the Board during the year.

MEMBERSHIP

Royden Vice chairs this committee. Ntombi Langa-Royds, Michael McMahon and Mahlape Sello serve as members of the committee. The Group chief executive, Group financial director and sustainability executive 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 the guaranteed pay, benefits, short-term incentives, long-term share incentives and related matters of executive directors of the Group, including the Group chief executive, prescribed officers, all managing directors of the Group's operating businesses and 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. The committee considers the Group's leadership succession and development strategy and the Group's employment equity status as described in this report.

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 is 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.

DIRECTOR AND EXECUTIVE REMUNERATION

The remuneration packages of executive directors and senior executives include performance-related remuneration, which is determined in terms of incentive schemes operated at Group and operating company level. These schemes are disciplined and are designed and implemented with assistance from independent remuneration consultants to competitively reward those directors and executives who have contributed to the Group's performance.

The short-term incentive scheme aims to drive company and team financial performance, as well as individual performance for non-financial related measures, in order to deliver sustained shareholder value. The overall purpose of the Murray & Roberts long-term incentive schemes is to provide general alignment between the executives and shareholders of the Group. Long-term incentive awards are determined with reference to the annual financial and individual performance of the executives, with vesting of long-term incentives being subject to performance conditions.

The Group's performance during FY2014 was pleasing, particularly from a financial perspective where all three financial measures exceeded the targets by more than 120%. This resulted in the financial component of the short-term incentive being capped at 120% or stretch performance. The Group chief executive and other Group executives achieved a solid performance in the non-financial metrics of their scorecards. From a leadership dimension perspective, the key outcome for the Group during FY2014 was the successful Clough Transaction, which enhances the Group's exposure to one of its target markets, which can be leveraged into new geographic markets. Relations with most stakeholders have improved during the past year but more work is required to build trust between the Group and its South African governmental stakeholders. Governance and project performance has improved during the year and a significant outcome was the settlement of the GPMOF claim. Progress on the Gautrain and Dubai International Airport claims remain slow. From a risk perspective, the four fatalities are regrettable, but safety performance as a whole was better than targeted and is industry leading. It is pleasing to see that risk management has improved over the years and is being well embedded in the Group.

Non-executive directors receive a fee for their contribution to the Board and its committees. 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 Group's remuneration policy is described in the remuneration report included on page 96 of this report. The remuneration of executive directors for the year ended 30 June 2014 is set out in note 42.3 to the consolidated annual financial statements. Remuneration details of non-executive directors for the year to 30 June 2014 are set out in note 42.3 to the consolidated annual financial statements. The detail on the proposed fee increase for non-executive directors is included on page 102 of the report.

RETIREMENT AND OTHER BENEFIT PLANS

A number of retirement funds operate within the Group. In South Africa, these are registered as pension or provident funds and accordingly are governed by the Pension Funds Act. Although some funds are privately administered, the majority of funds are incorporated in outsourced umbrella schemes. The assets of the funds are independently controlled by boards of trustees which include representatives elected by the members.

Further details on retirement and other benefit plans are provided in note 19 to the consolidated annual financial statements.

Employees of Murray & Roberts in the Middle East region are not required to belong to a retirement fund, while in Australia contributions are made, as part of TFCE, to a superannuation fund structured as a defined contribution fund. In Canada and USA, contributions, as part of TFCE, are made to a registered retirement fund.

SOCIAL & ETHICS COMMITTEE

NTOMBI LANGA-ROYDS

Murray & Roberts, as a good corporate citizen and a long-term leader in the southern African engineering and construction sector, is committed to contributing to a sustainable future through its core purpose of delivering infrastructure, to enable meaningful economic and social development in the communities within which it operates.

The social & ethics committee assists the Board to fulfil its governance responsibilities in relation to the Group's commitment to Zero Harm from its business activities, to comply with laws, rules, codes and standards as a good corporate citizen, and to its employees, shareholders, customers, business partners and society in general as a responsible corporate citizen. It also monitors the Group's ethical practices. The committee operates under a terms of reference, approved by the Board, which is reviewed annually and amended as considered necessary to ensure the mandate of the committee remains appropriate and relevant.

MEMBERSHIP

Ntombi Langa-Royds chairs the committee. Bill Nairn and Mahlape Sello serve as members of the committee. The Group chief executive, Group financial director, and Group commercial, sustainability and health, safety and environment executives attend meetings by invitation.

TERMS OF REFERENCE

The committee's responsibilities include:

- Overseeing the Group's implementation of and compliance with sound principles of governance, including the principles set out in King III;
- Overseeing the Group's social and ethics strategy and structures;
- Ensuring that social and ethics standards and procedures are in place and are effective;
- Assessing and measuring social and ethics performance with reference to the United Nations Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the JSE Socially Responsible Investment Index, the Construction Sector BBBEE scorecard, and International Labour Organisation protocols;
- Overseeing Group-wide compliance with laws, rules, codes and standards;
- Understanding all substantive regulatory developments and changes in social and ethics management, and ensuring Group responses are appropriate and timely;
- Consulting and communicating on social and ethics issues with internal and external stakeholders; and
- Reporting annually on social and ethics issues at the annual general meeting.

ASSESSMENT

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

ETHICS FRAMEWORK

The Group promotes a culture of ethical values, standards and practices in all areas and aspects of its business operations. The Group's published values and the Statement of Business Principles effectively establish the Group's Ethics Framework. While the statement remains the standard bearer of the moral and ethical culture of the Group, the framework was actively applied and practiced across the Group during the year, including amongst its supplier and subcontractor groupings.

Every director, officer, employee and partner of and every supplier and subcontractor to the Group must comply with the letter and spirit of the Ethics Framework and deviations from these principles are not tolerated under any circumstances.

TRANSPARENCY

Murray & Roberts strives to communicate and engage openly, effectively and inclusively with all stakeholder groups. Mutual trust and understanding among our stakeholders, based on transparency, is imperative. The Group encourages concerned employees and suppliers/subcontractors to report observed unethical behaviour within any of its operations. The Tip-Offs Anonymous hotline service administered by Deloitte, which enables anonymous reporting of workplace dishonesty and unethical behaviour, including discrimination, theft, fraud and corruption, is being rolled out on a world-wide basis, and will extend to every region in which the Group conducts its business.

During the year under review, 44 cases were reported and were investigated, some of which remain under investigation. Investigations are supported by external, independent forensic expertise, and appropriate disciplinary and legal action has been initiated in all cases of dishonest conduct.

We seek to ensure that interaction with stakeholders in all our markets is effective and ongoing.

FRAUD, CORRUPTION, ANTI-COMPETITIVE BEHAVIOUR AND UNFAIR BUSINESS PRACTICES

Murray & Roberts subscribes to good corporate governance, good corporate citizenship and ethical business practices. It is a company with a strong value system and it requires ethical business conduct from all its employees. The Group is a member of Business Leadership South Africa and supports their Code of Good Corporate Citizenship.

All executives involved in preparing and authorising each specific project tender, sign a declaration that they have not committed, and are not aware that anyone else affiliated with the bid has committed, whether directly or indirectly, any unethical or unlawful practice in the preparation and submission of the tender or resultant project delivery. Murray & Roberts will not accept any anti-competitive behaviour from any of its employees.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Murray & Roberts embraces the philosophy that while broad-based transformation and employment equity are moral, social and legal imperatives, they are also economic imperatives that have a direct impact on the Group's sustainability across its South African operations. The Group achieved a consolidated BBBEE rating of Level 2 when measured on the Construction Sector Charter and individual operating company BBBEE ratings range from Level 2 to Level 6. We know that meaningful socio-economic transformation is essential to the future of South Africa, especially in relation to the levels of social and economic inequality that persist. Our initiatives to strengthen and accelerate the transformation of our South African employee profile will remain key focus areas for the Group.

BOARD COMMITTEE REPORTS continued

HEALTH, SAFETY & ENVIRONMENT COMMITTEE

BILL NAIRN

The health, safety & environment ("HSE") committee assists the Board to fulfil its supervisory role relating to the integration of sound HSE management into all aspects of the Group's business activities. The HSE committee encourages and supports the Group to strive for a healthier and safer environment for all of its employees, subcontractors and the communities in which it conducts its business.

It ensures that the Group commits to best practice in health, safety and protection of the environment and public against hazards and aspects associated with its activities; and to meet relevant regulatory requirements with an aim to operate at even higher standards than those imposed by the relevant safety, health and environmental laws.

The committee operates under terms of reference which was reviewed and approved by the Board during the year.

MEMBERSHIP

Bill Nairn chairs the committee. Henry Laas, Michael McMahon and Mahlape Sello serve as members of the committee. Operating platform executives and HSE executives attend meetings by invitation.

TERMS OF REFERENCE

The committee's responsibilities include:

- Approving the framework, policies, standards and guidelines for HSE management;
- Satisfying itself that management has developed and implemented a Group-based HSE management system consistent with best practices and that effective programmes have been put in place to monitor the implementation of policies and standards across the Group;
- Encouraging associate companies and significant investments to develop policies, guidelines and practices congruent with the Company's HSE policies;
- Monitoring key trailing and leading indicators of safety performance;
- Taking into consideration substantive national and international regulatory and technical developments and respond appropriately; and
- Reviewing compliance with Group policy, standards and guidelines and appropriate local and international standards and relevant local laws in health and safety matters.

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.

FOCUS AREAS DURING THE 2014 FINANCIAL YEAR

At each meeting, the committee received and reviewed Group and operational reports covering occupational health & wellness, safety and environmental performance, risks and risk mitigation measures. The committee's workplan allowed for sufficient time to deliberate on each aspect of HSE thus achieving a clearer understanding of challenges, successes and focus areas, as well as aspects requiring enhanced attention.

Whilst the committee is pleased with progress made by management in improving safety performance, the tragic death of three employees and one subcontractor employee (2013: 2) in the construction, oil & gas and mining businesses is regrettable. The committee once again extends its heartfelt condolences to the families, friends and colleagues of the deceased.

During the reporting period, the committee reviewed and approved the following noteworthy initiatives by management:

1. The *Philisa Employee Health and Wellness* programme aimed at proactively managing occupational health and wellness risks and supporting employees affected by various conditions such as HIV/AIDS, TB, psychosocial factors and other lifestyle related conditions at South African operations.
2. An *Effective Safety Leadership* programme which seeks to equip leaders with capacity and skills to bring about sustainable improvements in health and safety. The emphasis is on visible leadership that engages with employees on a daily basis and the use of lead indicators to drive proactive action.
3. The Environmental Management Framework and Group standards detailing requirements and accountabilities for management of most important environmental issues such as waste, water, greenhouse gas emissions, energy conservation and environmental pollution.

In the forthcoming year the committee will continue to focus on initiatives that safeguard the health and safety of employees and affected stakeholders, as well as the protection of the environment.

NOMINATION COMMITTEE

MAHLAPE SELLO

The nomination committee ensures that the structure, size, composition and effectiveness of the Board and its committees are maintained at levels that are appropriate to the Group's complexity and strategy. It does so by regularly evaluating the Board's performance, undertaking performance appraisals of the directors, evaluating the effectiveness of committees and making related recommendations to the Board. The Board is responsible for evaluating the performance of the Group chairman. The committee operates under a terms of reference which was reviewed and approved by the Board during the year.

MEMBERSHIP

Mahlape Sello chairs the committee. Michael McMahon and Royden Vice serve as members of the committee. The Group chief executive attends by invitation.

BOARD & COMMITTEE APPRAISAL

Self-assessment questionnaires were completed by the Board and each committee during the year under review. The appraisals were positive and their recommendations are being implemented. An internal appraisal of the chairman was led by the chairman of the remuneration & human resources committee and discussed by the Board. The appraisal was positive.

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.

SUCCESSION

Succession planning, taking into account the strategy of the Group and future retirements from the Board, has been ongoing. The committee takes cognisance of the importance of institutional knowledge to the Board and the need to balance this with introducing new ideas and experience. During August 2014 the Board appointed Ralph Havenstein as non-executive director. Shareholders will be requested to confirm this appointment at the annual general meeting.

PERFORMANCE AND RE-ELECTION

Mahlape Sello, Michael McMahon, Royden Vice and Henry Laas retire by rotation at the 2014 annual general meeting. The committee reviewed the performance of the retiring directors and recommends their re-election to the Board.

An evaluation of the independence of the non-executive directors was conducted. As a result of the evaluation, the Board was satisfied that they are independent in character and judgement.

AUDIT & SUSTAINABILITY COMMITTEE

The committee considered whether the current members (individually/collectively) of the audit & sustainability committee satisfy the requirements of the Companies Act and King III. Following this, it is recommended that the election of the current members of the audit & sustainability committee be approved by the shareholders at the annual general meeting. The members of the audit & sustainability committee will serve for a one-year term, concluding at the FY2015 annual general meeting.

BOARD COMMITTEE REPORTS continued

RISK MANAGEMENT COMMITTEE

MICHAEL MCMAHON

The risk management committee assists the Board to fulfil its governance responsibilities in terms of the Group Integrated Assurance Framework. The committee operates under a terms of reference, approved by the Board, which is reviewed annually and amended as is considered necessary to ensure the mandate of the committee remains appropriate and relevant.

MEMBERSHIP

Michael McMahon chairs the committee. Dave Barber, Bill Nairn and Royden Vice serve as members of the committee. The Group chief executive, Group financial director, Group commercial executive and Group risk executive attend meetings by invitation. With Dave Barber, chairman of the audit & sustainability committee, serving on this committee, overlapping responsibilities are appropriately managed.

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 respects.

RISK MANAGEMENT

The role of the committee is to assist the Board to ensure that:

- The Group has designed, implemented and monitors an effective policy and plan for risk management, with appropriate organisational structures, processes and systems in place, that together enhance the Group's ability to achieve its strategic objectives;
- All significant risk exposures are timeously identified and clearly understood by management, and that mitigation responses are effectively and efficiently implemented to preserve and promote stakeholder interests; and
- The Group's risk management and control systems are adequate and effective, and disclosure regarding risk is comprehensive, timely and relevant.

Further details are disclosed in the risk management report on page 88.

INTERNAL AUDIT

The Group's internal audit function, which applies a risk-based approach in discharging its mandate, and which co-sourced resources from KPMG, delivered a number of findings. All material findings were satisfactorily addressed by management, and comprehensive follow-up procedures were carried out by internal audit to confirm management's responses. Internal audit's mandate includes reviews of all of the Group's critical controls and major projects.

INSURANCE AND TREASURY

Murray & Roberts has a Group insurance programme covering asset and liability risks. Bonds and guarantees are integrated with the treasury management system, and administered centrally.

CLAIMS AND LITIGATIONS

Group legal services, under the leadership of the Group commercial executive, and with the support and involvement of the operating platform commercial executives, manage the Group's contractual risk. The Group commercial executive leads the engagement of general litigation and reputational risks to the Group, supported as appropriate by external legal advice.

GROUP DIRECTORATE

NON-EXECUTIVE DIRECTORS

MAHLAPE SELLO

Master of Arts in Law (Russia) LLB (Wits)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mahlape was appointed to the Board in 2009 and became chairman in 2013. She is chairman of the nomination committee and a member of the social & ethics committee, the health, safety & environment committee and the remuneration & human resources committee. She is also a trustee of The Murray & Roberts Trust. Mahlape is a member of the South African Law Reform Commission and the chairperson of the Advertising Industry Tribunal of the Advertising Standards Authority of South Africa. Mahlape was formerly the interim chairperson of the Advisory Committee on Licensing of Private Hospitals at the Gauteng Department of Health.

DAVID (DAVE) DUNCAN BARBER

FCA (England & Wales) AMP (Harvard)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Dave was appointed to the Board in 2008. He is chairman of the audit & sustainability committee and a member of the risk management committee. Dave was formerly the global chief financial officer of Anglo Coal, a division of the Anglo American Plc Group with operations in Australia, Canada, Venezuela, Colombia, China and South Africa as well as chief financial officer of Anglo American Corporation of South Africa. The majority of his career was spent in the Anglovaal Group prior to its unbundling where he held the position of group chief financial officer. He has served as a non-executive director and member of the audit committee for several companies, including AFGRI, Anglo Platinum, Barnard Jacobs Mellet Holdings, Telkom, Highveld Steel and Vanadium Corp. His career has also included positions within PricewaterhouseCoopers, Fedsure and SA Breweries.

NOMALIZO (NTOMBI) BERYL LANGA-ROYDS

BA (Law) LLB

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ntombi was appointed to the Board in June 2013. She is chairman of the social & ethics committee and a member of the remuneration & human resources committee. She is also a trustee of The Murray & Roberts Trust. She owns Nthake Consulting, a human resources consultancy business and has more than 25 years experience in human resources. Ntombi is an independent non-executive director of African Bank (ABIL), PPC and Mpact. She has previously served as a non-executive director of Exhibitions for Africa, Momentum Health, Momentum Insurance Group, Primedia Publishing, Respiratory Care Africa and Human Capital Institute (Africa).

JOHN MICHAEL MCMAHON

PrEng BSc Eng (Glasgow)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Michael was appointed to the Board in 2004. He is the chairman of the risk management committee, and a member of the health, safety & environment committee, the nomination committee, the audit & sustainability committee and the remuneration & human resources committee. He is also a trustee of The Murray & Roberts Trust. He was formerly the chairman of Central Rand Gold, Gencor and Impala Platinum Holdings, and a director of Gold Fields. Michael was a project manager at Murray & Roberts during the 1970s.

WILLIAM (BILL) ALAN NAIRN

PrEng BSc Eng (Mining)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Bill was appointed to the Board in 2010. He is chairman of the health, safety & environment committee and a member of the risk management committee and the social & ethics committee. Bill is the non-executive chairman of MDM Engineering Group. He previously served on the boards of several companies including Anglo American, Anglo Gold Ashanti, Anglo Platinum and Kumba Resources.

ROYDEN THOMAS VICE

BCom CA(SA)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Royden was appointed to the Board in 2005. He is chairman of the remuneration & human resources committee and a member of the risk management committee, the audit & sustainability committee and the nomination committee. He is also a trustee of The Murray & Roberts Trust. Royden is chairman of Hudaco Industries, Waco International and Puregas, a Governor of Rhodes University and a director of Life Healthcare. He was previously the chief executive officer of Waco International and of Industrial and Special Products at UK-based BOC Group, chairman of African Oxygen (Afrox), Afrox Healthcare and Consol Glass.

RALPH HAVENSTEIN

BCom, MSc Chem Eng

INDEPENDENT NON-EXECUTIVE DIRECTOR

Ralph was appointed to the Board in August 2014 and is a member of the health, safety & environment committee and social & ethics committee. Ralph is a chemical engineer and has completed a Senior Executive Programme at the Stanford Graduate School of Business. Ralph has experience in the petrochemical and mining sectors, and currently serves as a non-executive director on the boards of Northam Platinum, Omnia Holdings, Atlatsa Resources Corporation, Hernic Ferrochrome and Reatile. Ralph is a past chief executive officer of Anglo American Platinum, as well as Norilsk Nickel International. Ralph was previously vice president of the SA Chamber of Mines and was a director of Mintek (South Africa).

EXECUTIVE DIRECTORS

ANDRIES JACOBUS (COBUS) BESTER

BCom (Acc) Hons CA(SA)

GROUP FINANCIAL DIRECTOR

Cobus joined Concor in 1998 and following the acquisition of Concor by Murray & Roberts in 2006 was appointed to the Murray & Roberts Limited Board in 2007 and the Murray & Roberts Holdings Board in July 2011. Cobus is the chairman of Murray & Roberts International Holdings, and a director of Clough Limited. Cobus is the chairman of the Bombela Operating Company and has overall management responsibility for Murray & Roberts Concessions. He was previously group financial director for Basil Read and Concor for three and six years respectively and managing director of Concor between 2005 and 2011. He has extensive experience in the construction and engineering industry.

HENRY JOHANNES LAAS

BEng (Mining) MBA

GROUP CHIEF EXECUTIVE

Henry joined the Group in 2001 and was appointed to the Board and as Group chief executive in July 2011. He is a member of the health, safety & environment committee. Henry is a director of Murray & Roberts Limited, Murray & Roberts International Holdings and of Clough Limited. He played an instrumental role in the global expansion of the Cementation Group and has a strong track record of successful resolution of complex commercial matters and business strategy development and implementation. Henry was previously an executive director of Murray & Roberts Limited responsible for the Group's engineering platform.

LAMBERTUS (BERT) KOK

FCIS, FCIBM

GROUP SECRETARY

Bert joined the Group in 2011 and was appointed Group secretary in February 2014. Bert has more than 10 years experience as a company secretary in a listed company environment. He was previously a director of Chartered Secretaries Southern Africa and its past president in 2010.

Thenjiwe Chikane resigned as independent non-executive director on 20 August 2013.

GROUP DIRECTORATE continued

RECORD OF ATTENDANCE

	BOARD		AUDIT	RISK	REMCO		NOMCO	HSE	S&E
	MEETING	SPECIAL	MEETING	MEETING	MEETING	SPECIAL	MEETING	MEETING	MEETING
NAME OF DIRECTOR									
M Sello	●●●●●	●●			●●●	●●	●●●	●●●○	●●●●
DD Barber	●●●●●	●○	●●●●	●●●●					
AJ Bester	●●●●●	●●							
TCP Chikane[1]	– – – – –	● –	– – – –	– – – –					
HJ Laas	●●●●●	●●						●●●●	
JM McMahon	●●●●●	●●	– ●●●	●●●●	●●●	●●	●●●	●●●●	
NB Langa-Royds	●●●●●	●●			●●●	●●			●●●●
WA Nairn	●●●○●	●○		●●●○				●●●○	●●●○
RT Vice	●●●●●	●●	●●●●	●●●●	●●●	●●	●●●		

Note
1 Resigned 20 August 2013

●● ATTENDED ○○ DID NOT ATTEND

GENREC FABRICATION FACILITY
GAUTENG, SOUTH AFRICA