Murray & Roberts

2021
Governance report

Governance overview

STATEMENT OF COMMITMENT

As the highest governing authority in the Group, the Board is accountable for ethical and effective leadership. Underpinned by a high standard of corporate governance, integrity and ethics are non-negotiable features of the Group's pursuit of its strategy and business conduct.

The Group's Values and the ethical principles set out in its Code of Conduct guide the decisions and actions of the Board and executive leadership. A well-developed governance structure, aligned with the principles and practices of King IV™, is in place to ensure lines of oversight and reporting are defined and effective. The Board is confident that the Group's performance processes support ethical culture, good performance, effective control, and legitimacy.

The relationships and decision-making rights between governing bodies and business platforms are shown in the organisational framework on the following page.

THE BOARD IS CONFIDENT THAT THE GROUP'S PERFORMANCE PROCESSES SUPPORT ETHICAL CULTURE, GOOD PERFORMANCE, EFFECTIVE CONTROL, AND LEGITIMACY.
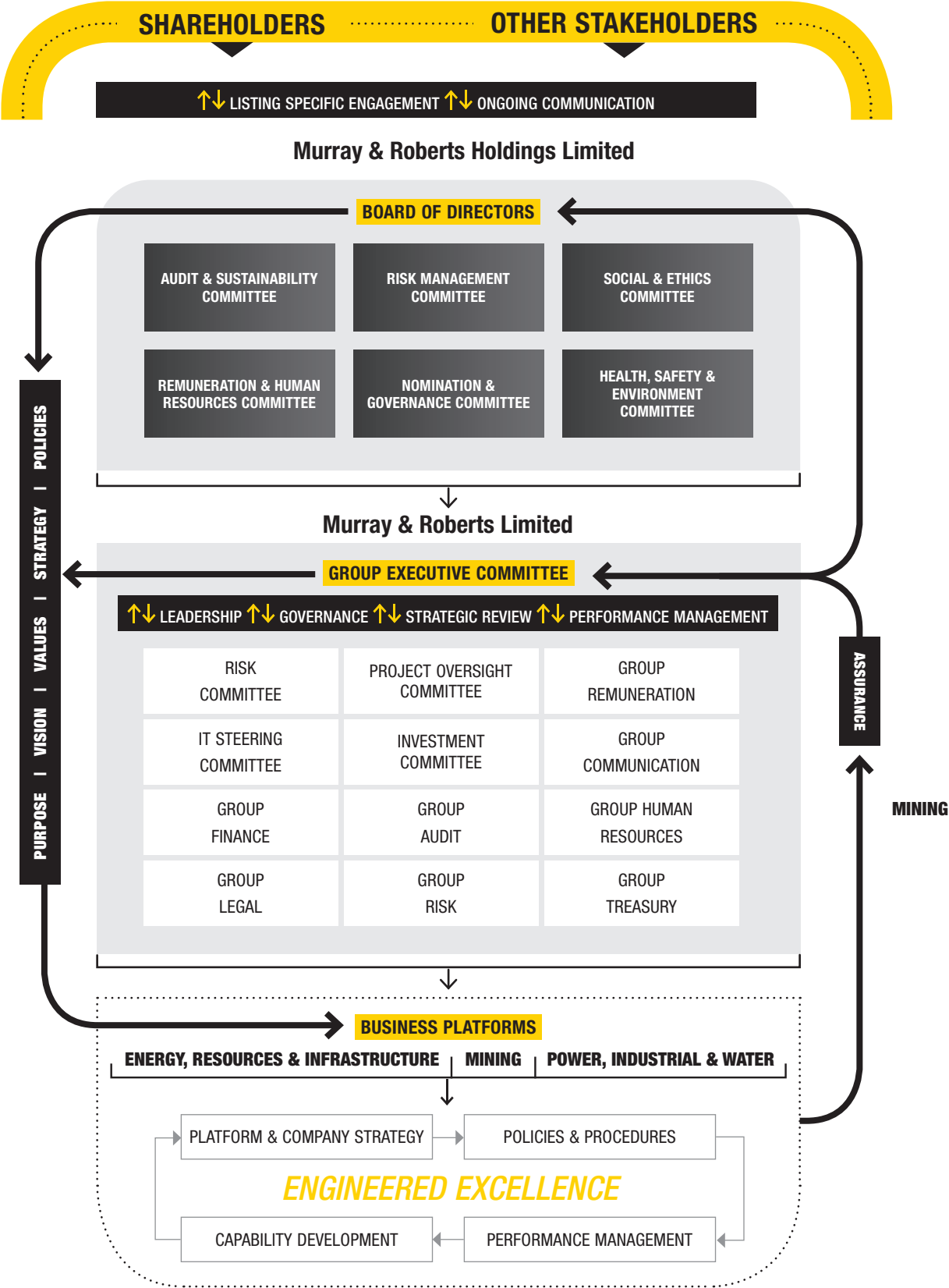
STATEMENT OF COMPLIANCE

The Board subscribes to applicable laws and regulations in the jurisdictions in which it operates. The Board has embraced King IV and, as recommended, has provided a narrative-based report, referencing each of the King IV principles and an explanation of the practices employed to apply the principles.

During FY2021, King IV was applied in its entirety. Murray & Roberts complied with the requirements of the Companies Act, 71 of 2008, the Companies Act Regulations, and the Listings Requirements of the JSE Limited. The Company conforms to its Memorandum of Incorporation.

The Company has a capital structure where each share carries one voting right. There are no restrictions to the shareholders' rights to introduce a resolution at the Annual General Meeting, subject to the requirements set out under Section 61 of the Companies Act. On receipt of a written demand delivered to the Company and submitted by holders in aggregate of at least 10% of the voting rights, the Board must call a shareholders meeting.

There are no anti-takeover measures in place and the Company is only able to issue shares on the express permission of the shareholders by means of an ordinary resolution. No resolution to approve the general issue of shares has been proposed since the 2010 AGM.

ORGANISATIONAL FRAMEWORK

SHAREHOLDERS ·········· OTHER STAKEHOLDERS

↑↓ LISTING SPECIFIC ENGAGEMENT ↑↓ ONGOING COMMUNICATION

Murray & Roberts Holdings Limited

BOARD OF DIRECTORS

AUDIT & SUSTAINABILITY COMMITTEE	RISK MANAGEMENT COMMITTEE	SOCIAL & ETHICS COMMITTEE
REMUNERATION & HUMAN RESOURCES COMMITTEE	NOMINATION & GOVERNANCE COMMITTEE	HEALTH, SAFETY & ENVIRONMENT COMMITTEE

PURPOSE | VISION | VALUES | STRATEGY | POLICIES

Murray & Roberts Limited

GROUP EXECUTIVE COMMITTEE

↑↓ LEADERSHIP ↑↓ GOVERNANCE ↑↓ STRATEGIC REVIEW ↑↓ PERFORMANCE MANAGEMENT

RISK COMMITTEE	PROJECT OVERSIGHT COMMITTEE	GROUP REMUNERATION
IT STEERING COMMITTEE	INVESTMENT COMMITTEE	GROUP COMMUNICATION
GROUP FINANCE	GROUP AUDIT	GROUP HUMAN RESOURCES
GROUP LEGAL	GROUP RISK	GROUP TREASURY

ASSURANCE

MINING

BUSINESS PLATFORMS

ENERGY, RESOURCES & INFRASTRUCTURE | MINING | POWER, INDUSTRIAL & WATER

PLATFORM & COMPANY STRATEGY	POLICIES & PROCEDURES

ENGINEERED EXCELLENCE

CAPABILITY DEVELOPMENT	PERFORMANCE MANAGEMENT

ACHIEVING OUR GOVERNANCE OUTCOMES

The principles of King IV form the foundation of the Group's approach to governance. This supports the Group in meeting the following governance outcomes:

EFFECTIVE CONTROL

ETHICAL CULTURE

GOOD PERFORMANCE

LEGITIMACY
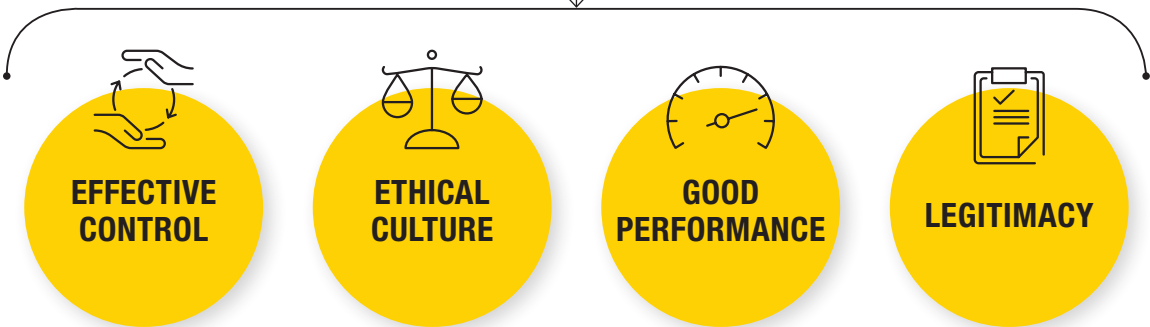
Value creating governance structures

The Board and executive leadership set the tone for an ethical culture, ensuring good governance and business practices.

The Board has the experience and expertise required to deliver the *New Strategic Future* plan supported by appropriate succession planning.

Executive leadership have the expertise to deliver specialised sector focus and to lead the Group in achieving its strategy.

The Group's engagement model and structure enables positive stakeholder relationships; enhancing its credibility.

The Group's philosophy of *Engineered Excellence* informs the Board and executive leadership's decision-making, planning and oversight.

The Group aspires to be a learning organisation and is committed to continuous improvement.

Value protecting activities

The Group's Code of Conduct supports ethically robust and defensible decision-making by the Board and executive leadership.

The Group's Code of Conduct, Purpose, Values and integrated management approach ensure the *New Strategic Future* plan is delivered within the appropriate risk appetite, supporting a prudent risk and return balance.

The Group's contracting principles and oversight processes are updated regularly to reflect the changes in the Group's risk profile and project delivery experience.

The Group's response to local and regional dynamics, as well as national objectives, minimise operational and project risks and support the Group's legitimacy.

The Group's governance frameworks and reporting structures ensure visibility and compliance across the business platforms.

This full governance report includes references to each of the King IV principles where the practices employed achieve the governance outcomes. The Board is satisfied with the Group's application of King IV.

GROUP LEADERSHIP

The Board is responsible for corporate governance across the Group. It approves strategic direction, which addresses and integrates strategy, risk, performance, and sustainability as interdependent elements of value creation.

The Board's competencies and deep collective experience are aligned to the Group's strategy and the macro- and socioeconomic realities of its markets.

The composition of the Board promotes a balance of authority, preventing any one director from exercising undue influence over decision-making while bringing diverse perspectives to board deliberation. The Board has ten directors: eight independent, non-executive directors and two executive directors.

Tenure

>9 years **1**

7-9 years **2**
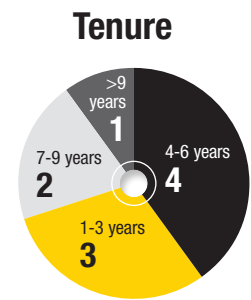
4-6 years **4**

1-3 years **3**

AGE

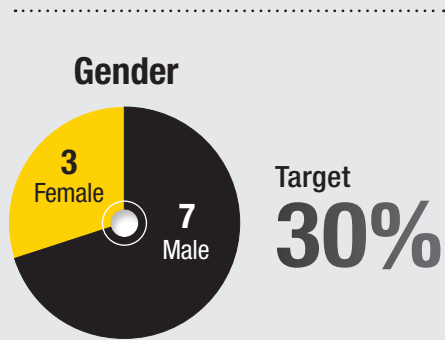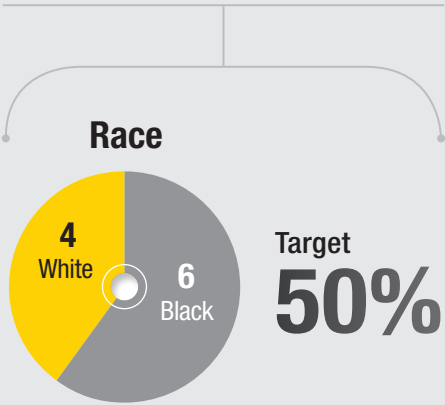|	
Between 40 – 50 years	**3**
Between 50 – 60 years	**4**
Between 60 – 70 years	**3**

GROUP EXECUTIVE

The Board delegates the management of the Group to the Group chief executive, with the associated full power on behalf of and in the name of the Group. The Group chief executive is accountable for implementation of the *New Strategic Future* and is supported by the Group 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.

STRENGTHENING DIVERSITY AND TRANSFORMATION

A formal diversity policy sets the targets for gender and race diversity at Board level. These targets have been met as the Board comprises 60% black directors and 30% female directors.

Race

4 White

6 Black

Target **50%**

Gender

3 Female

7 Male

Target **30%**

OUR GOVERNANCE OUTCOMES

EFFECTIVE CONTROL

A Board-approved charter sets out its accountability, responsibility, and duty to the Group including requirements for its composition, meeting procedures, work plan, and performance evaluation.

ACTIVITIES	OUTCOMES
Governance, risk management, systems of control and internal audit	
• Reviewed and evaluated strategic risks and associated opportunities.	• Mitigation of strategic risks and positioning the business to secure opportunities.
• Approved the integrated assurance model comprising risk management, regulatory compliance, internal and external audit, and related Group Integrated Assurance Policy.	• Asserts control over how Group risks are mitigated with mechanisms ensuring compliance and effectiveness.
• Updated and approved the environmental, social & governance framework.	• Governance framework embedded throughout the Group.
Succession planning	
• Board review of succession planning for senior management, including the Group chief executive.	• Formal succession plans aligned with transformation objectives for senior management.

The Board meets formally four times during the reporting period. In addition, directors meet ahead of the scheduled meetings to examine the Group's budget and business plan ensuring alignment to approved strategy.

King IV Principle achieved:
1 and 6

Separation of roles and responsibilities

The chairman of the Board and the Group chief executive operate under distinct mandates issued and approved by the Board. These differentiate responsibilities within the Group, ensuring a balance of power and authority.

CHAIRMAN
- Is an experienced independent non-executive director.
- Presides over the Board.
- Provides effective leadership of the Board.
- Ensures that all relevant information is placed before the Board for deliberation.
- Is free of conflict at the time of his appointment.
- Has no executive function or responsibility.

LEAD INDEPENDENT DIRECTOR
- Strengthens the independence of the board.
- Leads in the absence of the chairman.
- Acts as an intermediary between the chairman and other members of the board when necessary.
- Serves as an additional channel to manage shareholders' concerns where contact through normal channels has failed to resolve concerns or is inappropriate.
- Presides over discussions and decision-making where the chairman has a conflict of interest.
- Leads the performance appraisal of the chairman.

GROUP CHIEF EXECUTIVE
- Responsible for Group operations.
- Ensures development and implementation of Group strategy.
- Recommends the business plan and budgets to the Board for consideration and approval.
- Has a role and function formalised in a mandate.

The directors of Murray & Roberts Limited support the Group chief executive in:

- Implementing the strategies and policies of the Group.
- Managing the business and operations of the Group.
- Prioritising the allocation of capital, technical expertise and human resources.
- Establishing best management practices and functional standards.
- Approving and monitoring senior management appointments.
- Fulfilling any activity or power delegated to the executive committee by the Board that conforms to the Company's Memorandum of Incorporation.

EFFECTIVE CONTROL *continued*

Succession planning

The Board appoints the chairman and the Group chief executive. The Board reviews the chairman's performance on a regular basis and the remuneration & human resources committee assesses the Group chief executive annually. This committee also recommends the proposed remuneration of the non-executive directors to the shareholders. The Board approves the remuneration of the Group chief executive and executive committee members annually.

The nomination & governance committee is responsible for Board succession planning. The Board approves the senior management appointments. Succession plans are in pace for the Group chief executive and other members of senior management.

King IV Principle achieved:
10

Selection of directors and induction

A Board-approved policy for the selection and continuation of office for directors specifies the nomination and evaluation processes. All new directors are appointed at the next AGM by shareholders' resolution. One third of all directors are required to retire annually by rotation and are considered for re-appointment at the AGM if put forward for re-election. The Board is permitted to remove a director without shareholder approval where there is due cause.

The nomination & governance committee assists in identifying suitable candidates that will address the Board's requirements in terms of knowledge, skills and resources. All appointments comply with the requirements of the Companies Act and the Company's Memorandum of Incorporation.

Newly appointed non-executive directors undergo an induction process, providing them with information on the Group's strategy and operations, and setting out their responsibilities. This includes extensive meetings and discussions with Group management. Continuing development training is available to directors on request.

King IV Principle achieved:
7

Board appointment process

- Nomination & governance committee assesses board skills, knowledge, experience and diversity.
- Nomination & governance committee appoints recruitment agents to source candidates.
- Nomination & governance committee makes recommendations to the Board on the appointment and re-election of directors.
- New director candidates are subject to background and reference checks.
- Board approves candidate as director.
- Newly appointed director undergoes induction process.

Changes to the Board

The Board's current membership has been unchanged since 1 April 2020.

The Board considered the employment contract of the Group chief executive, Henry Laas, who is due to retire on 31 July 2022 when he reaches normal retirement age of 63. After due consideration, the Board agreed to provide Henry with a fixed-term contract of 25 months to 31 August 2024.

Henry will be responsible for identifying and preparing two potential successors, with consideration to the Company's transformation requirements, for appointment to the position of Group chief executive. Progress in this regard will be reflected in Henry's annual performance assessments, with particular focus for the 2023 and 2024 financial years.

Director independence assessment

An evaluation of the independence of the non-executive directors was conducted. The Board is satisfied that they are independent in character and judgement.

EFFECTIVE CONTROL *continued*

Group company 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. The company secretary is not a director of the Board. 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 RESPONSIBILITIES OF THE COMPANY SECRETARY INCLUDE ASSISTING THE BOARD WITH:

- The nomination and appointment of directors through the nomination & governance committee.
- Director induction and training programmes.
- Providing guidance to the Board on director duties, responsibilities and good governance.
- Keeping the Board and committee Charters up to date.
- Preparing and circulating Board papers.
- Drafting the Board annual work plan.
- Preparing and circulating minutes of Board and committee meetings.
- Evaluation of the Board, committees and individual directors.

The Board evaluates the competency and effectiveness of the company secretary, as required in terms of the JSE Listings Requirements. This 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 appointment and function of the company secretary are in line with the requirements of the Companies Act. Bert is an experienced company secretary, with 18 years experience in a listed company environment. He was previously a director of Chartered Governance Institute of Southern Africa and its past president in 2010. He is also the secretary of the Bombela Concession Company, in which the Group holds a 50% shareholding.

The Board confirms that the company secretary maintains an arm's 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, aside from 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.

King IV Principle achieved:
10

Relationships with Group subsidiaries

The Group Board governance framework forms the basis for subsidiary governance frameworks which have been implemented across the Group. The subsidiary (platform) boards follow the same format as the Group Board governance framework.

A comprehensive delegated authority matrix has been approved by the Board. It is regularly reviewed and updated.

King IV Principle achieved:
10

Integrated assurance

The audit & sustainability committee has a deep understanding of integrated reporting, internal financial controls, the external and internal audit process, corporate law, risk management, sustainability issues, information technology governance, and governance processes within the Group.

The risk management committee reviewed the integrated assurance model, comprising risk management, regulatory compliance, and internal and external audits. Following this, the Board approved the Group Integrated Assurance Policy based on the strength of the committee's recommendation.

The risk management committee oversees and monitors the coordination of the assurance activities included in the integrated assurance model.

The model assists in asserting control over key risks and mitigants identified and controlled by management, using a risk framework determined by the risk management committee.

The internal control and the integrated assurance model includes:

- A documented organisational structure with appropriate division of responsibility.
- Policies and procedures (including a Code of Conduct to foster a strong ethical climate) communicated throughout the Group.
- Mechanisms ensuring compliance and monitoring the effective implementation of the system on a continuous basis.

King IV Principle achieved:
4 and 15

Risk management, systems of control and internal audit

The risk management committee assists the Board in executing its responsibility for risk governance. The Board is responsible for determining the Group's level of risk tolerance by considering and approving a risk tolerance matrix against which all business risks are measured.

Group management is responsible for the design, implementation and monitoring of the Group risk management plan, which includes the development and maintenance of a comprehensive risk management system. This system requires that a risk assessment be carried out for every project at the bidding stage. Quarterly risk assessments are then carried out across projects and businesses, key risks are escalated to the Board through quarterly risk reports, and reported risks are discussed with, and interrogated by, Group management.

The embedded risk management system is comprised of frameworks, standards and procedures, and is designed to anticipate and identify unpredictable and emerging risks in sufficient time for adequate management interventions to be initiated. The Board regularly assesses the operation of this system, ensuring its effectiveness.

Group internal audit is an independent assurance provider led by the chief audit executive and resourced with internal employees and external resources. The internal audit assurance provided consists of independent evaluations of the adequacy and effectiveness of risk management, internal controls, financial reporting mechanisms and records, information systems and operations, safeguarding of assets (including fraud prevention), and adherence to laws and regulations. It also includes a review of strategic risk mitigations, a risk-based review of major projects, key business processes and systems, the Group's sustainability information, IT governance and IT general controls. An internal audit charter, reviewed by the audit & sustainability committee and approved by the Board, formally defines the purpose, authority and responsibility of internal audit. The charter gives the chief audit executive direct and unrestricted access to the Group chief executive and Group financial director.

Group internal audit focuses on the adequacy and effectiveness of the Group's governance, risk management and control structures, systems and processes. The audit follows a risk-based approach, key to which is a focus on the Group's strategy and associated risks. The centralised function operates in terms of a formal mandate, in conformance with the International Professional Practices Framework for Internal Audit (Standards) and meets the needs and requirements of management and the audit & sustainability committee.

This audit remains a vital part of the Group's governance and combined assurance structures. It assists the Board and executive management with achieving their objectives and to maintain an effective internal control environment by using a risk-based approach to continuously evaluate those controls and recommend improvements based on whether they are adequately designed and operating efficiently and effectively.

King IV Principle achieved:
13

Technology and information governance

The Board is responsible for IT governance in the Group. An IT charter, policies and standards have been approved by the Board and implemented by management. IT is a regular agenda item at Board meetings. The Board obtains annual assurance on the effectiveness of IT controls and IT governance across the Group. The Board has oversight of significant IT projects and makes decisions on major IT investments.

The Board-approved IT strategy aligns IT with strategic business processes, encouraging innovative use of IT to ensure the business is well-supported by technology. The chief information officer regularly interacts with the Board on strategic IT matters.

Management is responsible for the implementation of IT processes and structures, as per the IT charter, through an IT steering committee and a technical advisory committee.

IT strategic and operational risks have been identified and are monitored and reported at IT steering committee meetings.

Strategic risks are regularly reported into the Group's risk management system. Disaster recovery is well-established in Group systems and is tested regularly.

King IV Principle achieved:
12

The ethical principles set out in the Code of Conduct require individual directors to:

ETHICAL CULTURE

- Adhere to legal standards of conduct set out in the Companies Act.
- Exercise their fiduciary duties in the best interest of the Group.
- Take independent advice if needed to discharge their duties according to an agreed procedure.
- Disclose real or perceived conflicts to the Board and deal with them accordingly.
- Deal in securities only in accordance with the relevant policy.

Organisational ethics

Managing Group ethics is an important part of the Board's focus and responsibility. The Board reviews the Group's compliance with laws, rules, codes, and standards through the work plan of the social & ethics committee, and believes that the Group complies with the relevant laws, Companies Act and furthermore operates in accordance with its Memorandum of Incorporation. Behaviour is managed and monitored, and instances of unethical behaviour are reported and addressed.

Assurance through appropriate audit, review, and control processes is provided for all perceived high-risk compliance matters.

New employees undergo induction training, which includes the Code of Conduct. Refresher Code of Conduct training is undertaken every two years by all employees.

King IV Principle achieved:
2

A culture of compliance

The Group Integrated Assurance Policy sets the mandate for regulatory compliance, which includes the implementation of a compliance framework and process as set out in the Group Code of Conduct and Group Regulatory Compliance Standard.

The social & ethics committee receives a regulatory compliance report at each meeting, updating it on Group activities that enforce and ensure legal compliance. The committee reports its findings to the Board on a bi-annual basis. Assurance on perceived high-risk compliance matters was obtained by the social & ethics committee through both internal audit and regulatory compliance processes and reporting.

Through the social & ethics committee, the Board is advised of the prevailing regulatory environment and applicable and relevant changes thereto, and how those changes are likely to affect the Group. A legal update report is also submitted to the Board annually. Resources including induction, training, and legal opinions are made available to each director to ensure they are familiar with the laws, rules, codes and standards that apply to the local and international operations of the Group.

King IV Principle achieved:
13

Conflicts of interest and share dealings

The independence of the Board and procedures for ensuring that relevant conflicts of interest are addressed are stipulated in the Board Charter and terms of reference.

Directors are aware that when a matter in which they have a personal financial interest is considered by the Board, the interest must 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 these instances, the director concerned is recused and may not take part in the Board's consideration of the matter.

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 during closed periods. Such closed periods commence 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 and officers must at all times obtain permission from the chairman, Group chief executive or Group financial director before dealing in the shares of the Group. The company secretary is notified of any share dealings and, in conjunction with the corporate sponsor, publishes the details for approved dealings in the Group's shares by directors and officers on the SENS of the JSE Limited.

The directors' share ownership, together with percentage holding, is disclosed in the Report of Directors, part of the Annual Financial Statements

King IV Principle achieved:
7

GOOD PERFORMANCE

The Board is responsible for corporate governance and determining the Group's strategic direction. All decisions, deliberations and actions are based on the Group's Values, which ultimately support the performance of the Group.

Strategy, performance and reporting

The Group's strategic focus is primarily directed at delivering services in the global natural resources market sectors of resources, industrial, energy, water and specialised infrastructure. The Board has approved this strategy and oversees both its implementation and operational plans.

The Board is active in informing and approving the strategy of the Group, ensuring alignment between strategy and the purpose and mandate of the Group. The Board appreciates that strategy, risk, performance, and sustainability are inseparable.

The Board, assisted by the audit & sustainability committee, assumes responsibility for the annual integrated report and ensures that the report fairly represents the performance of the Group, regarding both financial and non-financial aspects of performance. It includes the Group's summary of financial statements and commentary on material issues affecting the Group, its stakeholders and the environment.

The audit & sustainability committee has appointed an external, independent consultant to obtain assurance in relation to the reporting and disclosure of several material sustainability issues.

King IV Principle achieved:
4 and 5

Board evaluation

An external review of the effectiveness of the Board and individual directors was conducted during the year. An internal appraisal of the chairman was led by the lead independent director and discussed by the Board.

The feedback of the board appraisal was positive with respect to the work of the Board. The Board is well functioning and professional.

Matters raised for consideration by the Board which will be actioned in the coming year, include:

- Strategy execution and managing associated risks.
- Chief executive officer succession.
- Purpose and sustainability.
- The world of work after COVID-19.

After each Board and committee meeting, the non-executive directors meet without management present. This provides an opportunity for the non-executive directors to share thoughts and insights with their peers. The chairman provides feedback from the closed sessions to the Group chief executive for implementation.

King IV Principle achieved:
4 and 5

Remuneration

The Group believes that directors, senior executives and employees should be paid fair, competitive and appropriately structured remuneration in the best interests of shareholders.

The Group's remuneration policy for executive directors and prescribed officers takes into account fixed and variable components of total reward (informed by Remchannel benchmark) linked to specific performance targets.

Shareholders were consulted in the process of establishing the remuneration policy.

Remuneration is disclosed per individual executive director and prescribed officer in the Company's annual integrated report and annual financial statements. The remuneration policy and report on the implementation

of the remuneration policy are set out in the remuneration report in the Company's annual integrated report and is voted upon annually by shareholders on an advisory basis. At the 2020 AGM, 99.59% (2019: 89.8 %, 2018: 99.87%) of shareholders voted in favour of the Group's remuneration policy and 99.96% (2019: 99.92%, 2018: 99.98%) voted in favour of the implementation of the remuneration policy.

Proposed fees for non-executive directors are approved annually by shareholders through a special resolution.

King IV Principle achieved:
14

LEGITIMACY

The Board provides strategic direction and approves policies and frameworks to ensure that economic, financial, social, environmental and ethical issues are addressed. The Board has established committees to assist in discharging its duties as set out in the approved committee mandates and terms of references.

With the Board's strategic direction, the Group seeks to protect, enhance and invest in the wellbeing of the economy, society and the environment. The social & ethics committee ensures that the Group formulates collaborative responses to sustainability challenges. The remuneration & human resources committee ensures fair and responsible remuneration and reward practices aligned to performance and the Group's Values.

King IV Principle achieved:
3

Ensuring our reputation

The Group's reputation as a responsible multinational organisation is a function of policy directives that set high standards for all its businesses, according to recognised best practice.

Stakeholder relationships

Trust is created by organisational behaviours valued by stakeholders and is based on confidence in both character and competence. Maintaining stakeholder trust given intensifying activism, public scrutiny and expectations of greater transparency and reporting is critical to the Group's resilience and sustainability.

Murray & Roberts strives to communicate and engage transparently, effectively and inclusively with all its stakeholder groups. Continuing engagement processes aim to ensure that interaction with stakeholders in our markets is effective and ongoing.

The Board takes account of the legitimate interests and expectations of stakeholders in its decision-making processes and has adopted a stakeholder engagement framework which is proactively implemented and followed by management. The initial Group stakeholder engagement framework was developed in 2011 and updated in 2018. The framework holds the Group accountable for stakeholder inclusion in identifying, understanding and responding to sustainability issues and concerns. It also requires that we report, explain and be answerable for our decisions, actions and performance.

The Board encourages proactive engagement with shareholders, including engagement at the AGM. All directors and the designated partner of the external audit firm are available at the AGM to respond to shareholder's queries and the minutes are made available on the Company's website.
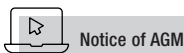
Notice of AGM

King IV Principle achieved:
16

Diversity

The Board acknowledges the importance of diversity and a formal policy was adopted to guide and assist the Board in attaining gender and race diversity at Board level.

The Group has also adopted a diversity policy, which sets the framework within which the Group's subsidiaries (business platforms) respond to different localisation priories, which include developing local leadership and skills, and entering into joint ventures and partnerships with local contractors in line with local contracting conventions.

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.

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

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

Shareholders elect the members of the audit committee at each AGM. The audit 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.

The Board

The Board meets formally four times during the reporting period. In addition, directors meet ahead of the scheduled meeting where the Group's budget and business plan are examined in the context of the Group's strategy.

Between meetings, directors are kept informed of major developments affecting the Group by the Group chief executive.

The Board's policy of visiting areas of the Group's operations on an annual basis was disrupted by Covid-19 regulation. No site visit was undertaken.

LEGITIMACY continued

Record of attendance

	BOARD							
	MEETING				SPECIAL			
NAME OF DIRECTOR	20/08/26	20/11/26	21/03/03	21/06/11	20/08/03	20/11/19	21/01/29	21/05/11
J Boggenpoel	✔	✔	✔	✔	✔	✔	✔	✔
D Grobler	✔	✔	✔	✔	✔	✔	✔	✔
R Havenstein	✔	✔	✔	✔	✔	✔	✔	✔
S Kana	✔	✔	✔	✔	✔	✔	✔	✔
H Laas	✔	✔	✔	✔	✔	✔	✔	✔
N Langa-Royds	✔	✔	✔	✔	✔	✔	✔	✖
A Maditse	✔	✔	✔	✔	✔	✔	✔	✔
B Mawasha	✔	✔	✔	✔	✔	✔	✔	✔
D Radley	✔	✔	✔	✔	✔	✔	✔	✔
C Raphiri	✔	✔	✔	✔	✔	✔	✔	✔

	AUDIT				RISK				REMUNERATION			
	MEETING				MEETING				MEETING			
NAME OF DIRECTOR	20/08/25	20/11/25	21/03/02	21/06/10	20/08/25	20/11/25	21/03/02	21/06/10	20/08/24	20/11/24	21/03/01	21/06/09
J Boggenpoel												
D Grobler	✔	✔	✔	✔	✔	✔	✔	✔				
R Havenstein					✔	✔	✔	✔	✔	✔	✔	✔
S Kana									✔	✔	✔	✔
H Laas												
N Langa-Royds					✔	✔	✔	✔	✔	✔	✔	✔
A Maditse									✔	✔	✔	✔
B Mawasha												
D Radley	✔	✔	✔	✔	✔	✔	✔	✔				
C Raphiri	✔	✔	✔	✔	✔	✔	✔	✔				

	NOMINATION & GOVERNANCE			HEALTH, SAFETY & ENVIRONMENT				SOCIAL & ETHICS		
	MEETING		SPECIAL	MEETING				MEETING		
NAME OF DIRECTOR	20/08/24	21/03/02	21/06/09	20/08/24	20/11/24	21/03/01	21/06/09	20/08/24	20/11/23	21/06/09
J Boggenpoel										
D Grobler										
R Havenstein	✔	✖	✔	✔	✔	✔	✔	✔	✔	✔
S Kana	✔	✔	✔							
H Laas				✔	✔	✔	✔			
N Langa-Royds	✔	✔	✔					✔	✔	✔
A Maditse				✔	✔	✔	✔	✔	✔	✔
B Mawasha				✔	✔	✔	✔	✔	✔	✔
D Radley										
C Raphiri										

✔ *Present*

✖ *Apologies*

LEGITIMACY *continued*

Key decisions and deliberations by the Board

During the year, the Board focused on the following items (in addition to the standing items on the agenda):

- The impact of the COVID-19 pandemic on the Group.
- Approved the submission of three tenders in excess of US$300 million each.
- Received regular updates on the progress made in relation to the closure of the Middle East operations.
- Received regular updates on all the major commercial matters within the Group.

Committees of the Board

The Board has set up several sub-committees to assist it in the discharge of its duties. Each committee of the Board has a formal term of reference that sets out its role, powers and responsibilities. The committee chairman reports to the Board on key issues covered at the meeting.

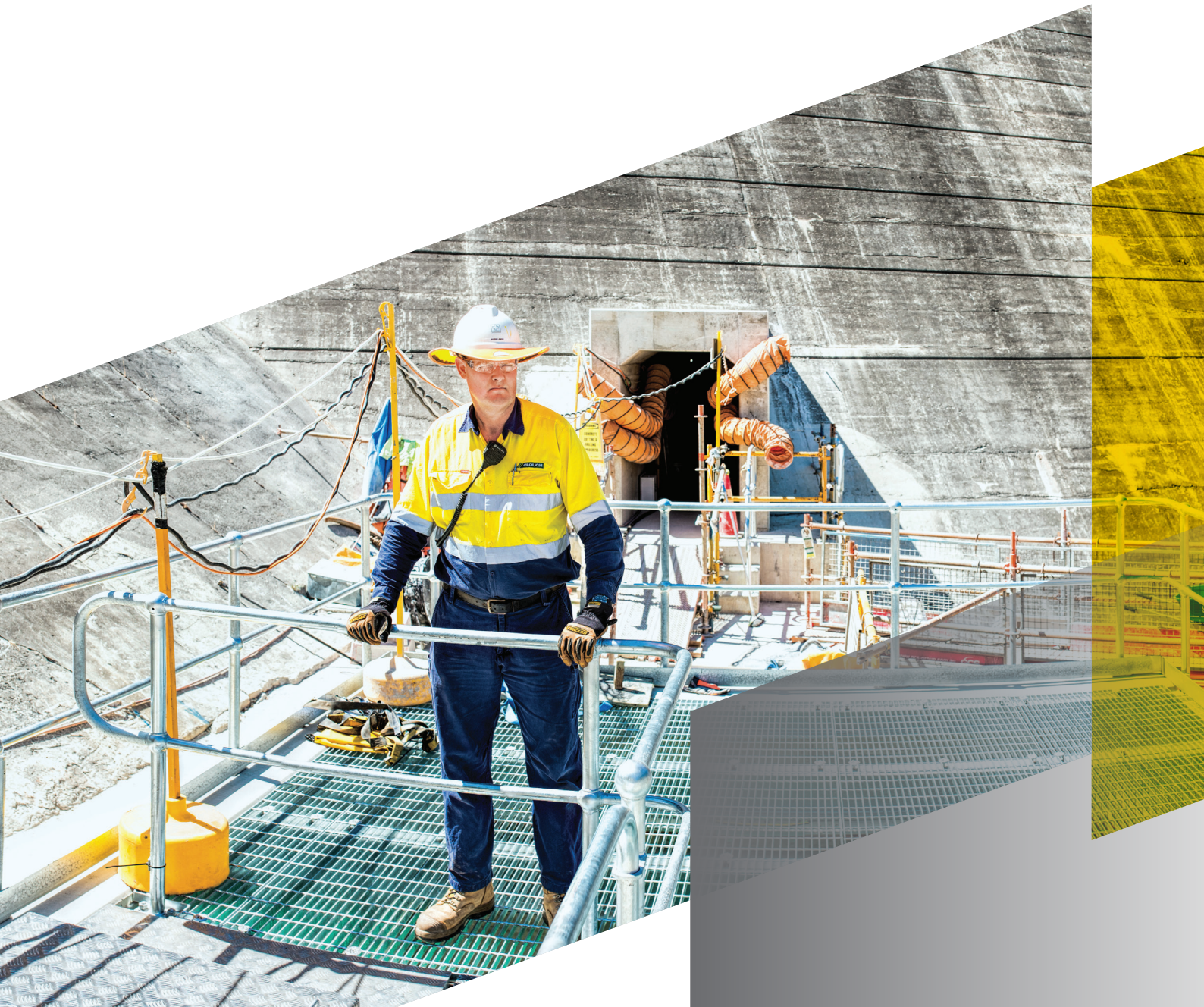A committee report, including areas of focus during the reporting period, follows on the next page.

King IV Principle achieved:
8 and 11

The audit & sustainability report is included in the annual financial statements

The social & ethics committee chairman report is included in the sustainability report.

LEGITIMACY *continued*

NOMINATION & GOVERNANCE COMMITTEE

PURPOSE

The nomination & governance 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 regularly evaluates the performance of the Board and the directors serving on the Board. The Board is responsible for evaluating the performance of the Group chairman. The committee operates under a term of reference which was approved by the Board.

KEY FOCUS AREAS

Board appraisal

An external review of the effectiveness of the Board and individual directors was conducted during the year. The aim of the evaluation is to determine the perceptions of Board members and use these as a basis of interpretation and reporting. Also see page 10 for further information.

Succession

Succession planning, taking into account Group strategy, BBBEE requirements and future retirements of 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 capacity.

Independence of non-executive directors

An evaluation of the independence of the non-executive directors was conducted. The Board is 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 IV. Following this review, it is recommended that the election of the members of the audit & sustainability committee be approved by the shareholders at the AGM. The members of the audit & sustainability committee will serve for a one-year term, concluding at the FY2022 AGM.

Governance

The Committee considers any matter regarding the effective governance and management of the Group and make such recommendations to the Board as it may deem appropriate.

SOCIAL & ETHICS COMMITTEE

PURPOSE

The social & ethics committee's primary focus is to monitor and oversee the Group's commitment to Zero Harm from its business activities.

TERMS OF REFERENCE

As required by the South African Companies Act, among others, the committee's responsibilities include:

- Assessing and measuring social and ethics performance with reference to the United Nations Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the BBBEE scorecard, and International Labour Organisation protocols.
- Monitoring the Group's implementation of and compliance with sound principles of governance, including the principles set out in King IV.
- Ensure development and implementation of the Group's social and ethics strategy and structures.
- Determine Group-wide compliance with laws, rules, codes and standards.

KEY FOCUS AREAS

The committee's key focus areas during the year included:

- Receiving regular updates from the COVID-19 Task Team.
- Driving BBBEE in the Groups' South African operations, by supporting the Group Transformation Steering committee.
- Promoting the Code of Conduct and motivating ethical behaviour.
- Preventing and combating bribery and corruption.
- Monitoring and encouraging the Group's worldwide community development plans.

LEGITIMACY *continued*

RISK MANAGEMENT COMMITTEE

PURPOSE

The risk management committee assists the Board to fulfil its governance responsibilities in terms of the Group Integrated Assurance Framework.

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.
- The Group's risk management and control systems are adequate and effective, and disclosure regarding risk is comprehensive, timely and relevant.

HEALTH, SAFETY & ENVIRONMENT COMMITTEE

PURPOSE

The health, safety & environment 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 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.

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 the development of policies, guidelines and practices congruent with the Company's HSE policies.
- Monitoring key lag and lead indicators of health, safety and environmental performance.
- Taking into consideration substantive national and international regulatory and technical developments and responding appropriately.
- Reviewing compliance by the Company and its subsidiaries, contractors and associates with Group policies, standards, guidelines, and appropriate local and international standards and relevant local laws in health, safety and environmental matters.

Engineered Excellence is an operating philosophy of planning in detail for the outcomes we want to achieve. To embrace ***Engineered Excellence,*** we must apply rigour and discipline in everything we do and remove chance from the objectives we pursue.

Murray &Roberts