RISK REPORT

"Risk management is embedded at every level of the organisation to manage threats to our business, the environment and host communities, and to facilitate benefits from opportunities."

The COVID-induced loss of our Australian based businesses in the prior year, and the subsequent deleveraging of the Group's balance sheet created significant liquidity pressure, which compounded the complexity in the operating environment, especially for our South African operations. Our mature risk management programme has been a dependable mitigant to these factors as we reposition the Group for sustainable growth.

We restructured the Group, including the capital structure and cost base, to align with current business circumstances and requirements. Murray & Roberts now delivers projects through two main businesses: the core mining business comprising two regional entities in Africa and the Americas (USA, Latin America and Canada); and the power infrastructure and renewable energy business focusing on Sub-Saharan Africa. This restructuring reduced business complexity and lowered the risk profile for the Group, as projects undertaken by the mining business (which comprises more than 80% of our revenue) carries substantially less commercial risk, due to more equitable risk sharing commercial models applied in the mining sector.

Risk management is embedded at every level of the organisation to manage threats to our business, the environment and host communities, and to facilitate benefits from opportunities. The ultimate responsibility for risk management rests with the Board, which approves the Group's risk appetite and tolerance levels and oversees principal risk exposures and opportunities.

Considering the now smaller Group, appropriate adjustments to the Group's risk appetite and tolerance levels were approved by the Board. The Board is supported by the audit & risk committee, which oversees the overall effectiveness of our risk management programme and internal controls. In addition, operational line management and Group functions oversee risk management in their areas of responsibility, with support from compliance and internal audit. This governance structure ensures effective risk and opportunity management.

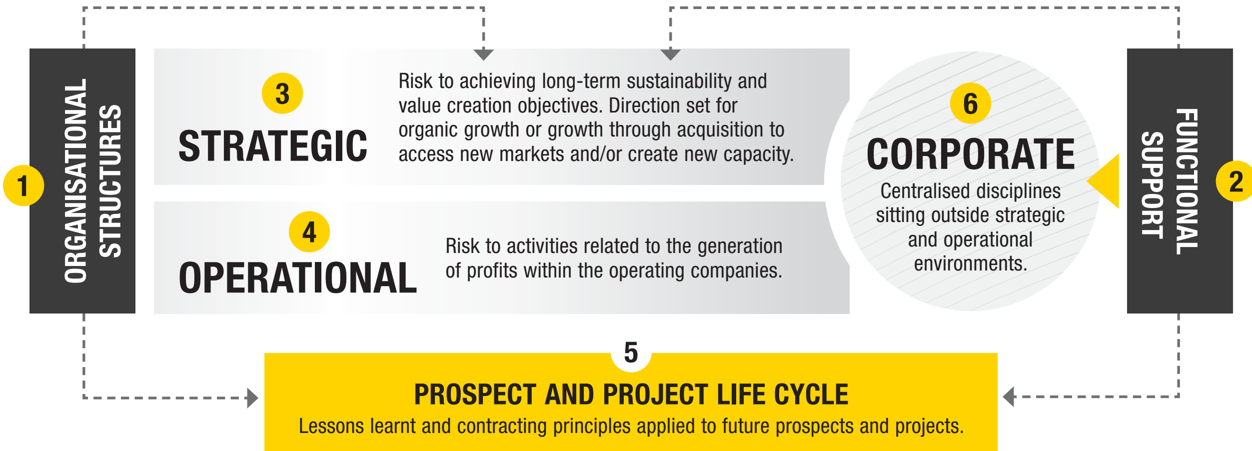
The Group utilises an integrated assurance approach to verify and provide assurance that risks are effectively managed. Risk management, regulatory compliance, and independent assurance (internal and external audits) are the three pillars of the Group integrated assurance framework, which aims to:

- Align strategy with risk tolerance;
- Improve and streamline decision-making, which improves the Group's risk profile;
- Promote the strategic and coordinated procurement of a quality order book, which contains an identified and anticipated level of risk, and an appropriate level of reward;
- Ensure reasonable commercial terms and conditions are contracted based on a predetermined set of acceptable contracting principles, together with the objective pursuit of commercial entitlement;
- Promote rigorous project reviews, and early responses to projects deviating from planned and tendered expectations;
- Promote continuous improvement through the institutionalisation and application of 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.

The Group risk management framework

The Group risk management framework sets clear roles and responsibilities, and provides management teams with a structured and coordinated approach to identify, assess, address, monitor, communicate and report the Group's risks and opportunities. Preventative and mitigative controls are implemented to reduce the likelihood and consequence of identified risks and manage potential impacts.

The Group has defined four discrete risk environments, namely strategic, corporate, operational and project, with organisational structures and functional support in place to guide and set direction.



1 ORGANISATIONAL STRUCTURES

To facilitate effective risk management, organisational structures have been established and tasked with risk governance at various levels within the organisation. In addition to Board committees, the Murray & Roberts Limited risk committee is tasked with risk governance at executive management level.

2 FUNCTIONAL SUPPORT

Dedicated risk management support has been created at Group level and within businesses. This includes enterprise-wide risk leadership, risk management monitoring, and risk-based auditing. The Group risk forum, comprising risk managers from all businesses, facilitates learning and sharing, and adoption of consistent standards and practices across the Group.

3 STRATEGIC RISK MANAGEMENT

Strategic risk is evaluated as a hurdle to achieving the Group's long-term strategy. Management is tasked by the Board to develop, implement, and adapt the Group strategy, considering changes in the business environment and subject to the approved risk appetite and risk tolerance levels. Direction is set for organic and acquisitive growth to access new markets and create new capacity. The corporate centre has the oversight role on these risks, which are periodically reviewed by the executive risk committee and reported to the Board. Reviews include consideration of emerging risks in the business environment and their potential impact on the Group.

4 OPERATIONAL RISK MANAGEMENT

Operational risk is a potential barrier to achieving our business plans. Methodologies for identifying, evaluating, mitigating, monitoring, and communicating risk are applied in the operational business environment. Three-year business plans, which consider threats and opportunities, are developed and performance against these plans is reviewed on a quarterly basis. Operational risk exposures typically relate to major incidents and infringement of laws such as competition, company, and health and safety laws, as well as the commercial, technical, and logistical aspects of projects. The operating companies have governance structures and systems that ensure that these risks are effectively managed.

5 PROJECT RISK MANAGEMENT

Project risk is evaluated as a potential barrier to delivering contracted scope against cost, time, and technical performance targets, while maintaining industry leading ESG performance. Critical to the preparation of tenders and effective project delivery is the application of three standards, which have been formulated considering past project experience and lessons learnt. These standards are regularly updated to include new learnings:

- Group schedule of contracting principles;
- Group schedule of lessons learnt; and
- Minimum requirements for contracts.

All bids submitted are tested against these standards to ensure that risks are appropriately addressed, and past failures are not repeated.

A project management framework sets the standard for project management and provides internal audit with a consistent set of processes and controls against which the delivery of projects is tested.

6 CORPORATE RISK MANAGEMENT

Corporate risk management relates to a range of portfolios and activities within the corporate office, including risk management standards and procedures, regulatory compliance, integrated assurance, business continuity, tax, insurance, crisis communication and other ESG policies such as the climate change position statement, code of conduct, and statement of business principles. Oversight of the three main elements of ESG lies with the relevant Board committees.

Risk management process

The Group's risks are regularly monitored and managed in accordance with the business priorities. Material risks are escalated to the executive committee and to the Board or its committees. A competent risk management function is in place to guide and support management in managing risks and opportunities across the organisation.

Risk appetite is defined as the type and extent of risk the Group is willing to take in pursuit of its strategic objectives. Several factors are considered in determining the risk appetite in each risk category. The risk appetite statement classifies the Group's appetite for each risk category as low, moderate, high, or extreme according to the following definitions:

LOW	The level of risk will not impede the Group's ability to achieve its strategic objectives.
MODERATE	The level of risk may delay or disrupt the achievement of its strategic objectives.
HIGH	The level of risk will impede its ability to achieve its strategic objectives.
EXTREME	The level of risk will significantly impede its ability to achieve its strategic objectives.

Where applicable, controls are in place to reduce the likelihood or alternatively mitigate the impact of risk events.

Key risk categories

Key risks are those that have a strategic, financial, operational, and reputational impact and include:

HEALTH, SAFETY & ENVIRONMENT

The Group has no appetite for health, safety and environment risk and strives for Zero Harm in the workplace. This is supported by the Group HSE framework.

FINANCIAL

The Group has a moderate appetite for financial risk and is willing to accept risk to achieve its financial objectives. These risks are managed and mitigated to an acceptable level through several controls, with oversight from Group executive leadership.

LEGAL AND COMPLIANCE

The Group strives for the highest standards of business integrity, ethics, and governance.

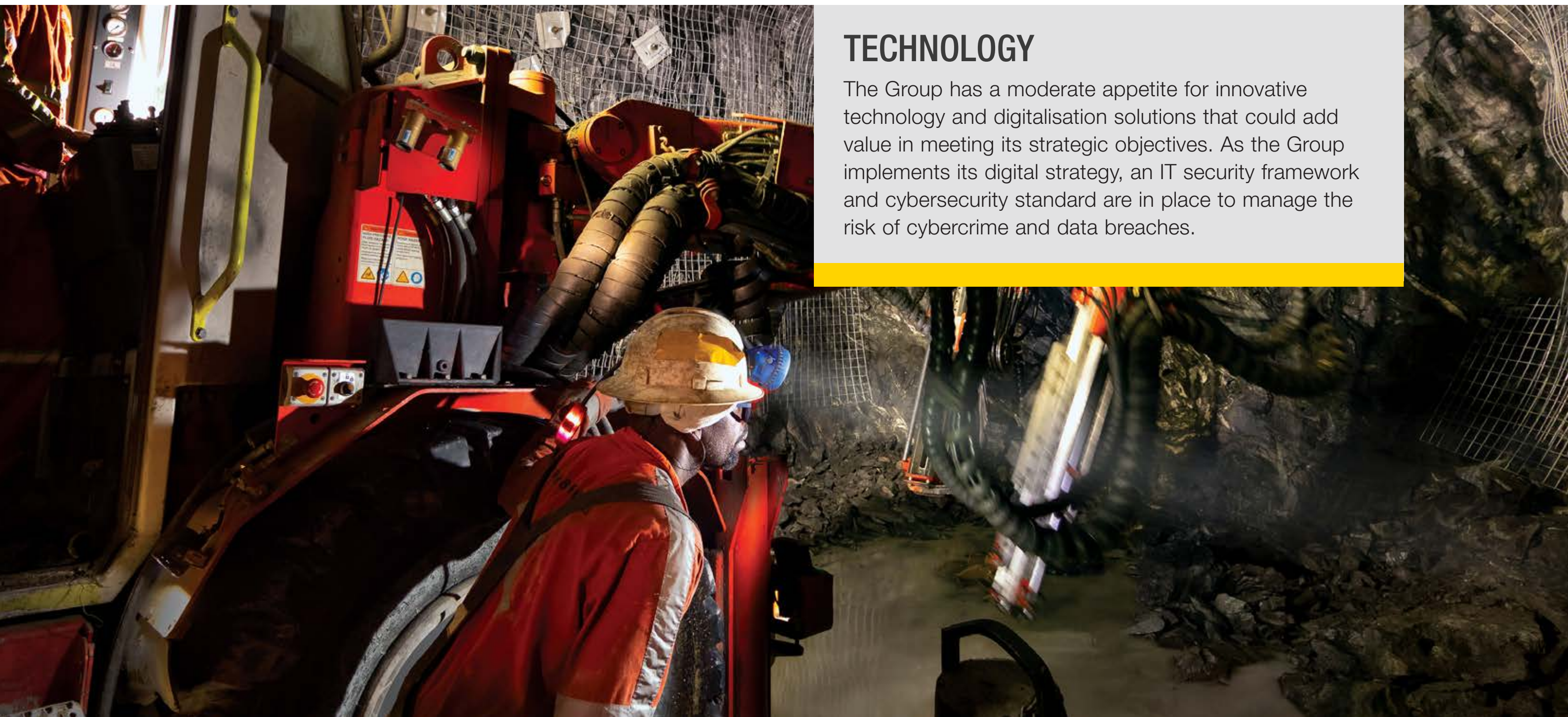
It has zero tolerance for unethical behaviour and has a code of conduct and several related procedures in place to address this risk. The Group also complies fully in all jurisdictions with regulated requirements to protect personal information.

PROJECT PERFORMANCE

The Group is prepared to accept a moderate level of risk in the projects it undertakes, to achieve its financial targets. A project management framework, as well as contracting principles and past project lessons learnt schedules, are in place and used to mitigate project delivery risk.

TECHNOLOGY

The Group has a moderate appetite for innovative technology and digitalisation solutions that could add value in meeting its strategic objectives. As the Group implements its digital strategy, an IT security framework and cybersecurity standard are in place to manage the risk of cybercrime and data breaches.



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Strategic risks

Strategic risks relate to our Purpose and long-term goals and are managed by the Board and executive committee. Strategic risks include:

- Sustainable growth – organic and acquisitive growth;
- New markets and capabilities;
- Megatrends and their likely impact to the Group's long-term prospects;
- Capital allocation; and
- Value creation.

The Group chief executive and executive committee manage these risks which are reviewed quarterly and reported to the MRH Board and its relevant committees.

Operational risks

Project risk is a significant source of operational risk due to the varying complexity, scope, and size of projects undertaken. The Group has well established processes to manage risks from the early stages of opportunity management, which includes tendering, through the project execution phase, and finally project completion and handover. This includes diligent application of our risk procedures and past experiences to better identify, understand, prioritise, and manage project risks.

Project risk management

Opportunity management			Project execution		
PRE-TENDER	**TENDER**	**AWARD**	**INITIATE**	**DELIVER**	**CLOSE-OUT**
All opportunities across the Group are captured in the central Opportunity Management System ("OMS") Decision to bid – approval authority lies with the operating company managing director Bid considerations include: ■ Group's contracting principles ■ Group's lessons learnt schedule ■ Minimum requirements for contracts If decided to tender, the opportunity is progressed through the OMS	Risk tolerance filters in OMS: contract value, location, contract law, revenue basis, project type, scope of work, client, consultant, and partner Prospect risk rating (purple, red, amber, green) determines authority level for tender approval and mandate Risk assessments at tender stage are used to identify, develop, and price mitigation plans and allocate project contingencies MRL risk committee review for red and purple prospects	If a tender is awarded, the final contract commercial terms are negotiated within the set mandate provided by the relevant approval authority ■ Purple – MRH ■ Red – MRL ■ Amber – Operating company MD in consultation with the CEO ■ Green – Operating company MD Any deviation requires a revised mandate from the relevant approval authority	Formal handover from bid team to project team (key bid considerations: scope, tender allowables, programme, milestones, commercial terms, assumptions, and planned risk mitigation) "Know your contract" training for the implementation team Project team presents readiness presentation at the start of the project	Monthly operating company project performance reviews include: ■ HSE performance, financial/cost accounting, schedule and operational performance, commercial claims, and forecasts to complete Additional executive interventions initiated for projects showing signs of distress Quarterly corporate office project oversight reviews	Residual exposures relating to final accounts and claims, bonds, warrantees and patent and latent defects, are formally closed

Risk governance structure: MRH, audit & risk committee, MRL Board (executive committee) and operating company executive committees

Taking and managing risk responsibly is central to value creation and the long-term resilience, relevance, and sustainability of the Group

Regulatory compliance

Regulatory compliance is the second pillar of the Group integrated assurance framework. Application of the Group regulatory compliance framework enables the seamless integration of regulatory compliance (with risk management and internal audit) into business planning, execution, and management.

As a multinational organisation, the Group is exposed to extensive legislation in various jurisdictions with varying degrees of complexity. A competent regulatory compliance function is in place to guide businesses ensuring that the Group complies, across all jurisdictions, with legal and other requirements that could materially impact its performance and sustainability, whether from a financial, legal, or reputational perspective.

The Group employs a structured approach to evaluate potential compliance failures and ensures adequate responses to prevent, and where necessary, mitigate any negative impact. A regulatory compliance plan is set out as per the Group's compliance standard, and the Board's social & ethics committee provides oversight through regular reviews of regulatory compliance reports provided by management.

Independent assurance

Independent assurance, the third pillar of the Group integrated assurance framework, consists of two complementary parts – internal and external audit. This function provides an independent and objective challenge to the levels of assurance provided by business operations, risk management and regulatory compliance.

The internal audit function, which reports directly to the audit & risk committee, is well resourced with experienced and skilled employees to carry out its mandate. Its role is to support the Group by providing an independent and systematic approach to evaluating and improving the effectiveness of risk management, internal controls, and corporate governance processes. In executing its mandate, internal audit applies a risk-based approach to identify critical risk management controls that management relies on, and which must be tested and evaluated to provide the Board with the risk management and regulatory compliance assurance it requires to meet its governance objectives.

The audit & risk committee considers and approves the risk based internal audit plan and is regularly updated on audits performed, findings and improvement actions. The development of the internal audit plan includes interactions with the Group risk and legal functions, with specific reference to their respective risk and compliance mitigation objectives and plans. The internal audit plan also assesses Group-wide corporate governance, financial controls, and risk management procedures, as well as specific areas highlighted by the audit & risk committee, Group executive committee and by executive and operational management.

External audit provides independent assurance that the annual financial statements are free from material misstatements and errors and that it complies with IFRS Accounting Standards requirements. The Group also utilises other external assurance providers in areas such as health, safety and environment, sustainability indicator assurance and business management system compliance.

Top risks

The top risks that could materially affect our business are summarised in this section.

1

VULNERABILITY TO MACROECONOMIC FACTORS

Strategic risk

Changes in the global economy have a direct impact on the market segments in which the Group operates. Downside risks to the global economy, and therefore to growth prospects in the Group's markets, include low commodity prices, geopolitics and its impact on trade and investments, inflation and high interest rates, climate change and low energy transition among others. These changes are likely to lead to fluctuations in the Group's order book and projected earnings.

Potential impact

- Lower demand for the Group's services resulting in reduced earnings
- Increased competition
- Increased resource costs
- Supply chain disruptions
- Liquidity constraints
- Low credit rating

Mitigation

- Strategic focus on the natural resources sector and future facing metals, which is underpinned by positive long-term demand fundamentals.
- Focus on client relationships and maintaining competitive advantage to secure negotiated contracts with reasonable terms and opportunities for early contractor involvement.
- Diversification of services across the project life cycle, which includes an emphasis on front-end engineering, and operations and maintenance.
- Partnership with local companies (JVs & contractors) to win work in geographies where this is a requirement.

2

GROUP LIQUIDITY

Strategic risk

Outstanding payments of claims, project variations and certificated work, project losses and working capital demands may introduce liquidity stress and constrain the Group's ability to meet its liquidity requirements, or to meet its growth targets.

Potential impact

- Negative impact on growth
- Inability to meet financial commitments
- Breach of banking covenants
- Increased cost of borrowing
- Inability to raise facilities with financial institutions

Mitigation

- Achievement of greater operational efficiency/project performance.
- Budgeting, forecasting and cost discipline.
- Securing advance payments on projects and ensuring that projects remain cash positive.
- Securing payment guarantees to manage client credit risk, where relevant.
- Settlement of outstanding claims on projects.
- Restructuring of debt facilities.
- Disposal of non-core assets.

3

HEALTH, SAFETY AND ENVIRONMENTAL EXPOSURES

Operational risk / ESG risk

Failure to manage our health, safety and environmental aspects could result in major incidents that may harm our employees, reputation and prospects. Many clients require that the Group meets certain safety criteria to be eligible to bid on contracts and some of the contracts provide for safety performance penalties. Unsafe work conditions and lack of environmental stewardship have the potential to affect our ability to attract and retain talent.

Potential impact

- Loss of life and injuries to personnel and third parties
- Environmental damage
- Operational disruption
- Financial loss
- Reputational damage

Mitigation

- Continuous evolution and diligent application of the Group HSE framework.
- People centric leadership and streamlined systems and processes.
- Diligent application of the CRM programme.
- Ensuring compliance of HSE processes through regular reviews and training interventions to improve effectiveness.
- Implementation of the climate change action plan.

Top risks continued

4

PROJECT DELIVERY RISKS

Operational risk

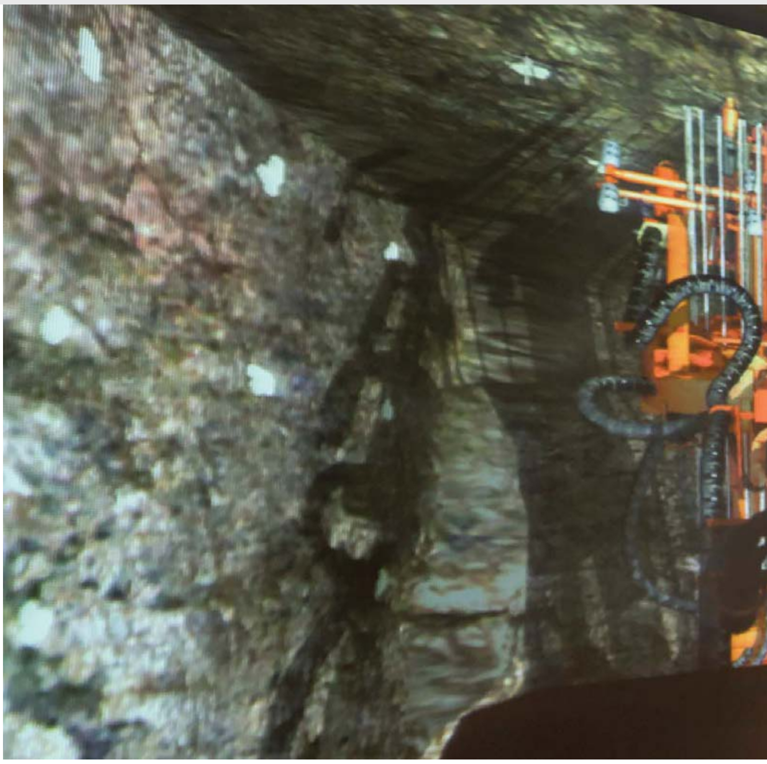
Some of the Group's projects are technically complex with long durations that increase risk exposures during execution. This subjects us to risks associated with project delays for reasons beyond our control, cost inflation and scope variations for which the financial impact may either not be compensated at all by clients, or compensation may be late, resulting in material financial impact on the business.

Potential impact

- Project schedule and cost overruns
- Penalties
- Loss of profit/earnings
- Reputational damage and inability to win new work
- Reduced cash flow resulting in liquidity challenges
- Erosion of shareholder value

Mitigation

- Strong oversight processes to mitigate the risk associated with project execution.
- Early independent reviews on project status to ensure early identification and remedy of potential issues.
- Comprehensive project assurance and performance management tools applied within the operating companies, based on the experience gained from past project losses.
- Regular project reviews provide executive management with oversight of key performance indicators on projects.
- Timeous management review, including at Group level, of underperforming projects to revisit and revise recovery plans and programmes.



5

SUSTAINABLE FUTURE FOR MURRAY & ROBERTS

Strategic risk

The loss of Clough and RUC has reduced the Group's equity and created uncertainty among stakeholders. Current liquidity constraints further impede the Group's ability to grow sustainably and retain value for shareholders.

Potential impact

- Loss of support from capital providers
- Inability to meet project bonding requirements
- Loss of select talent
- Value erosion for shareholders

Mitigation

- Optimal capital structure.
- Strategic focus on global recognition of our mining business and brand.
- Effective project delivery to optimise cash generation.
- Strong focus on cash management.
- Corporate office restructuring and rightsizing.
- Disposal of non-core assets.

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6

ATTRACTING AND RETAINING SELECT TALENT

Operational risk / ESG risk

The Group's ability to achieve its objectives depends on attracting and retaining skilled and experienced individuals. A shortage of critical skills may erode our capacity to meet clients' expectations.

Potential impact

- Increased cost of labour and labour turnover
- Failure to deliver projects to clients' specifications

Mitigation

- Leveraging training capacity to develop the required skills.
- Focus on leadership development.
- Targeted recruitment campaign for scarce skills across the value chain.
- Drive a culture of diversity, equity and inclusion.
- Competitive remuneration and attractive employee value proposition.

7

CYBERSECURITY

Operational risk / ESG risk

A cybersecurity breach or incident may significantly disrupt our business and/or breach data privacy, business sensitive information and other protected information in terms of various privacy and security laws.

Potential impact

- Operational disruption
- Breach of data privacy and/or sensitive data/information
- Claims and/or penalties against the Group
- Financial loss
- Reputational damage

Mitigation

- An established and independently tested IT security framework.
- Application of a cybersecurity standard which prescribes a minimum set of controls required to provide system and data security.
- Training programmes to raise awareness of cybersecurity threats and latest trends.
- Next generation anti-virus solution in place to ensure all end points are protected.
- Backup solutions to recover from system failures or breaches.