REMUNERATION REPORT

"The report outlines our remuneration policy, provides context for the remuneration considerations, and presents an implementation report on the remuneration outcomes based on our policy. The Group's total remuneration consists of fixed (guaranteed pay) and variable (short-term and long-term incentives) components."

The remuneration committee contracted the services of Remchannel – Executive Reward for independent external advice. During the year, the remuneration committee considered the following key matters:

- Approval of increases to guaranteed pay for general staff;
- Review and adoption of revised listed comparator group to benchmark executive reward;
- Market alignment review of variable incentives (short- and long-term incentives);
- Review of executive director and prescribed officer guaranteed pay for FY2025;
- Performance testing and approval of STI payments in respect of FY2024;
- Performance testing and approval of vesting of the 2021 LTI awards;
- Approval of the 2024 LTI awards and underlying performance conditions;
- Review and recommendation to shareholders of non-executive director fees for FY2025;
- Review and approval of the Group's remuneration report for inclusion in the FY2024 integrated report.

At our last AGM, 41.54% of votes exercised, voted against the implementation report presented for the prior year. Following the meeting, shareholders were invited to engage with the Company by submitting their objections, concerns, proposals and questions to the Group company secretary in writing. The primary concern raised for voting against the implementation report of the remuneration policy is the link between pay and performance, in the context of the company's FY2023 financial performance and the reduced size of the Company.

Considering the responses received from shareholders, and following the reduction in the size of the Group as a result of the deconsolidation of Clough and RUC as more fully explained in last year's integrated report, the committee engaged the service of Remchannel – Executive Reward to advise on a revised comparator group, and to benchmark executive pay against the revised comparator group of companies listed on the JSE. The revised comparator group consists of ten companies, predominantly listed under the Metals and Mining and Construction and Material sectors on the JSE. Remchannel was also tasked to perform a comprehensive market alignment review of the variable incentives, being long- and short-term incentives.

Following these reviews the committee noted the following:

- Total reward (comprising guaranteed pay and variable incentives), compared to the upper quartile of the comparator group in terms of the remuneration policy, is well within the accepted tolerance band for both the CEO and CFO.
- Total reward for all prescribed offers, lags the comparator group as a result of lower short- and long-term allocation levels.
- Guaranteed pay for the CEO is within the accepted tolerance band.
- Guaranteed pay for the CFO exceeds the tolerance band.
- Guaranteed pay for prescribed officers is within the accepted tolerance band.

The committee resolved that, despite the below market short- and long-term incentive award levels for prescribed officers, any increases will be delayed and considered at the appropriate time, taking affordability and the relative financial strength of the company into consideration.

Following the market alignment review of incentives and the recommendations made by Remchannel, the committee approved a policy change from FY2025 in respect of the following two matters:

- The ROICE short-term incentive performance condition be replaced by a NAV measure, quantified as NAV excluding the effect of FCTR movement, adjusted by inflation.
- The introduction of an additional long-term incentive performance condition quantified as real growth in NAV, measured relative to CPI and excluding FCTR movement over the performance period. This performance conditions will carry a 20% weighting and the two existing performance conditions will remain, albeit with a revised weighting.

As only 30% of the comparator group apply STI deferral, the committee resolved that STI deferral into LTI incentives would no longer apply from FY2024.

More detail on these changes is included in the relevant sections of this report.

The committee noted that the STI and LTI incentive scheme designs are generally aligned to the comparator group and market benchmarks. No further changes to the remuneration policy were deemed necessary at this time.

The STI incentivises performance against financial (70%) and non-financial (30%) targets set for each financial year. The financial targets set at the beginning of FY2024 were derived from the budget for the year on conclusion of a comprehensive bottom-up budgeting process, which considered the Group's order book and prevailing market conditions. The financial KPIs for FY2024 were similar to those of the previous year. The EBIT target for continuing operations increased to R226 million in FY2024, from R23 million in FY2023, and the diluted HEPS for continuing operations target increased to a loss of 12 cents, from a 72 cents loss in FY2023. The actual financial results were lower than the targets for FY2024, mainly due to the delay of new project awards. Performance measured against the EBIT, HEPS, cash and return targets translated into the financial component for STI performance outcomes, as detailed in this report. The non-financial targets are equally weighted and measured on leadership, relationship, operational performance, and risk management.

The Group's remuneration policy and implementation report respectively received the support of 78.03% and 58.46% of shareholders who voted at the AGM in November 2023. Following the review by Remchannel – Executive Reward, we believe our remuneration policy is aligned to best practice and that its application is not only fair to participants but also encourages a performance culture in the Group that will lead to sustained shareholder value creation.

Refer to the FY2024 STI performance outcomes for more detail on financial and non-financial performance relative to the targets set PG 81

Executive directors and prescribed officers' remuneration

Guaranteed pay

Increases are considered for implementation on 1 July every year – similar to the previous year, no increases were awarded for implementation on 1 July 2024 for the CEO and CFO. The prescribed officers received an increase of 4% with effect from 1 July 2024, similar to the increases awarded to salaried staff across the Group.

STI award

An award equating to 35.8% of the maximum value possible in terms of this scheme has been awarded for FY2024. The STI outcome is reflective of the Group's financial performance relative to the financial targets and the performance against individual non-financial targets that were set at the beginning of the year.

LTI vesting

The performance period for the 2021 CSCR LTI award ended on 30 June 2024. Based on performance over the three-year period, 50% of the 2021 CSCR award vested in 2024. 50% of the award was based on EBIT margin performance and 50% on the cash conversion ratio of earnings before EBITDA into cash. The EBIT margin performance over the period was below threshold, hence no shares vested for this performance measure. The cash conversion ratio of EBITDA into cash was above the target for maximum vesting of 80%. Consequently, 50% of the shares vested for this performance measure.

NED fees

NED fees were benchmarked against the same revised comparator group as for executive directors. The fees are within the accepted tolerance band, compared to the upper quartile of the comparator group, in terms of the remuneration policy.

Given shareholder support for the remuneration policy, as well as the policy's general alignment with King IV, no policy changes were introduced during the year. Two changes are being introduced from FY2025 as described above. The Group's remuneration policy and implementation report respectively received the support of 78.03% and 58.46% of shareholders who voted at the AGM in November 2023. Following the review by Remchannel, we believe our remuneration policy is aligned to best practice and that its application is not only fair to participants but also encourages a performance culture in the Group that will lead to sustained shareholder value creation.

Resolutions to be tabled at the AGM

As required by the Companies Act and King IV, the following resolutions will be tabled for shareholder voting at the AGM on 5 November 2024, details of which can be found in the AGM notice:

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

I would like to thank my fellow remuneration committee members for their contribution and support. I am satisfied that the remuneration committee discharged its obligations in a responsible and professional manner.

Ralph Havenstein
Chairman

REMUNERATION POLICY OVERVIEW

Introduction

The remuneration report has been prepared by the remuneration committee in line with the principles outlined in King IV and has been approved by the Board. The report covers executive director, prescribed officer, and non-executive director remuneration. The remuneration report outlines the remuneration policy that guides the remuneration committee's decisions, and the remuneration outcome from the application of the remuneration policy during FY2024.

Remuneration policy principles

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

The Murray & Roberts remuneration policy is aligned to the Group strategy, which aims to deliver shareholder value through growth in profitability and cash flows.

Murray & Roberts' remuneration policy applies to all businesses in the Group to ensure consistency and fairness in remuneration. Some flexibility, however, is allowed to acknowledge differences across businesses with varying market conditions, and external benchmarking per business entity.

Remuneration policy for executive directors and prescribed officers

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

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

Components of remuneration

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

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

The Group seeks to position guaranteed pay at the median (50th percentile) against appropriate benchmarks; however, for total remuneration the policy is to position at the 75th percentile for executives, senior management and select talent and critical skills, where the 75th percentile is achieved at performance levels between "on-target" and "stretch" performance. This policy supports the underlying principle of paying for performance and the focus on variable pay.

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

Our Reporting
Chairman's Statement
Our Business
Our Governance and Leadership
Our Material Issues, Risks and Strategy
Group Chief Executive's and Financial Director's Report
Operating Reviews
Risk Report
Remuneration Report
Annual Financial Statements
Shareholders' Information

Summary of remuneration components and link to strategy

Guaranteed pay is a fixed component, which reflects individual contribution and market value for respective roles, with internal and external benchmarking being cornerstones for setting guaranteed pay.

Operation

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

Maximum opportunity

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

Benefits are provided at competitive levels to attract and retain suitably qualified and experienced executives.

Operation

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

Maximum opportunity

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

Retirement fund contributions are made to provide competitive post-employment income to attract and retain suitably qualified and experienced executives.

Operation

- Executives in South Africa contribute to the Sanlam Umbrella Pension Fund, which is a defined contribution pension fund.
- In the Americas, there is a pension plan which is an employer-sponsored, defined contribution personal pension account. Employee contributions are matched by the company to a maximum of 5% of basic salary.

Maximum opportunity

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

Remuneration policy overview continued

Short-term incentives drive Group and team financial performance, as well as individual performance for non-financial measures, to deliver sustained shareholder value. They also provide alignment with shareholders through a deferred component.

Operation

- The STI scheme is designed to be self-funding. Bonus projections for on-target performance are used to ensure affordability. Financial measures such as EBIT are used to calculate the bonus provision and actual profit reported is net of a bonus provisions accrual.
- Awards are based on annual performance against a balanced scorecard of metrics as determined by the remuneration committee from time to time.
- The Group chief executive, Group financial director and managing directors have a 70% weighting in favour of financial targets, while other prescribed officers have a 60% weighting. For the 70% financial target weighting for managing directors, 60% is linked to their entity financial targets and 10% to Group financial targets.
- Individual performance is also assessed against suitable non-financial targets related to leadership, relationship, operational and risk (including safety) targets.
- Financial performance targets are measured against audited annual financial performance, net of bonus accruals. Individual non-financial performance targets are based on a formal performance and development evaluation conducted by the executive's direct manager and by the committee and Board chairman for the Group chief executive.

Maximum opportunity

- The STI disbursement is based on incentive qualification levels as a percentage of guaranteed pay, which is a function of job grade and performance against agreed financial and/or individual targets as per the individual's performance contract, and applied on a sliding scale between threshold, target and stretch performance.
- Performance below threshold attracts no STI payment for the specific component, where the threshold for financial targets is 80% of target.
- The STI disbursement is capped at stretch performance or 120% of target.
- The maximum STI disbursement as a percentage of guaranteed pay is 150% for the Group chief executive, 120% for the Group financial director and between 90% and 100% for prescribed officers depending on their job grade.

Clawback provisions apply to STI awards made from August 2015 PG 78

Long-term incentives provide general alignment between the executives and shareholders of the Group. They also motivate and reward executives who have contributed to the Group's value creation over the long-term and support the retention and attraction of executives.

Operation

- Murray & Roberts operated the following LTI schemes in FY2024: the FSP introduced in October 2012 and the LTCSIP which was introduced in 2017 as a LTI scheme for executives operating outside South Africa.

Forfeitable share plan

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

Long-term cash settled incentive plan

- A cash-settled LTI is awarded to senior executives, subject to continued employment and achievement of challenging performance conditions measured over a three-year performance period, which are set by the remuneration committee before each grant. The performance conditions mirror those used under the FSP.
- Cliff vesting occurs at the end of the three-year period.
- In very specific circumstances, and on an ad-hoc basis, where it is necessary to retain critical talent, the remuneration committee may make awards only subject to continued employment with no performance conditions. These awards are aimed at retention and do not form part of the annual awards.

Executive share ownership aims to better align the interests of executives with those of shareholders by encouraging executives to build a meaningful shareholding in the Group.

Operation

- Executive share ownership is encouraged through the part deferral of STIs into forfeitable shares, where 30% of the STIs are deferred into forfeitable shares under the FSP.
- In a bid to 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 after meeting necessary tax obligations under the LTI schemes.

Maximum opportunity

- Not applicable.

Choice of performance measures

The tables below and alongside show the performance measures that were set for FY2024, and those that will be applied in FY2025.

The weightings presented below are for the executive directors. Targets are set every year following a bottom-up business planning process, taking account of strategic goals and the prevailing market conditions.

STI performance measures FY2024

Metric	Weighting for Group chief executive and financial director	Rationale
FINANCIAL PERFORMANCE MEASURES		
Continuing EBIT	20%	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenues and cost control.
Continuing HEPS	20%	A key indicator of the value add for shareholders.
Net cash	10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free cash flow	10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCF is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
ROICE	10%	A key indicator of the effective use of shareholder capital.
INDIVIDUAL PERFORMANCE MEASURES		
Leadership	7.5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession & development objectives are achieved.
Relationship	7.5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	7.5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	7.5%	A key indicator of the extent to which health, wellness and safety, risk management and environmental objectives are achieved.

STI performance measures from FY2025

Metric	Weighting for Group chief executive and financial director	Rationale
FINANCIAL PERFORMANCE MEASURES		
Continuing EBIT	20%	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenues and cost control.
Continuing HEPS	20%	A key indicator of the value add for shareholders.
Net cash	10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free cash flow	10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCF is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
NAV maintenance	10%	A key indicator of the solvency position of the Group and its ability to create shareholder value.
INDIVIDUAL PERFORMANCE MEASURES		
Leadership	7.5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession & development objectives are achieved.
Relationship	7.5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	7.5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	7.5%	A key indicator of the extent to which health, wellness and safety, risk management and environmental objectives are achieved.

As described in the chairman's statement, NAV will replace ROICE as one of the STI performance conditions from FY2025.

At this time it is important for the company to focus on NAV maintenance and growth for continuing operations. The NAV measure is defined as NAV excluding the effect of FCTR movement and adjusted for the effects of inflation over the measurement period.

LTI performance measures FY2024

Performance measures over a three-year vesting period.

Metric and weighting	Rationale	Vesting
EBIT margin (earnings before interest and tax for continuing operations divided by revenue from continuing operations) **50%**	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenue and cost control.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 3% EBIT margin and target performance is 5% EBIT margin. Linear vesting will be applied between these points.
Conversion ratio of EBITDA into cash (operating cash flow plus dividends received divided by earnings before interest, tax, depreciation and amortisation) **50%**	A key indicator of the ability of the Group to convert profits into cash, which requires good working capital management.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 60% conversion ratio and target performance is 80% conversion ratio. Linear vesting will be applied between these points.

LTI performance measures FY2025

Metric and weighting	Rationale	Vesting
EBIT margin (earnings before interest and tax for continuing operations divided by revenue from continuing operations) **30%**	A key indicator of the underlying profit performance of the Group, encouraging performance in terms of both revenue and cost control.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 3% EBIT margin and target performance is 5% EBIT margin. Linear vesting will be applied between these points.
Conversion ratio of EBITDA into cash (operating cash flow plus dividends received divided by earnings before interest, tax, depreciation and amortisation) **50%**	A key indicator of the ability of the Group to convert profits into cash, which requires good working capital management.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is 60% conversion ratio and target performance is 80% conversion ratio. Linear vesting will be applied between these points.
Real growth in NAV (net asset value for continuing operations at the end of the financial year, divided by the net asset value at the start of the financial year, adjusted by CPI) **20%**	A key indicator of the solvency position of the company and its ability to create shareholder value.	30% vests for threshold performance and 100% vests for target performance, where threshold performance is NAV maintenance in real terms and target performance is 2% increase in NAV in real terms. Linear vesting will be applied between these points.

Clawback of incentives

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

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

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

Differences in remuneration policy for executives compared to other employees

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

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

Executive directors and prescribed officers do not have fixed-term contracts, but are subject to notice periods of three months. The employment contracts include pay in lieu of notice provisions, which may be invoked at the discretion of the Group. Normal retirement of executive directors and senior management is at age 63, however, this is subject to specific legislation in the countries in which Murray & Roberts operates. As reported in the interim results for FY2024, the Group chief executive's employment contract has been extended to 31 August 2025. At 30 June 2024, there was no material liability to the Group with respect to the termination of employment of any executive director or prescribed officer. The contracts of employment do not include provisions entitling the individual to a specified payment on termination of employment or on a change of control of Murray & Roberts, other than as stipulated in the LTI schemes. The only provision in the contract of employment for executive directors and prescribed officers relating to a payment on termination of employment is that, where termination occurs during the first year of employment, any payment to which the individual is entitled by law will be limited to a maximum of 25% of annual total fixed cost of employment.

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

No agreements have been entered into with the executive directors or prescribed officers regarding restraint of trade.

"As reported in the interim results for FY2024, the Group chief executive's employment contract has been extended to 31 August 2025."

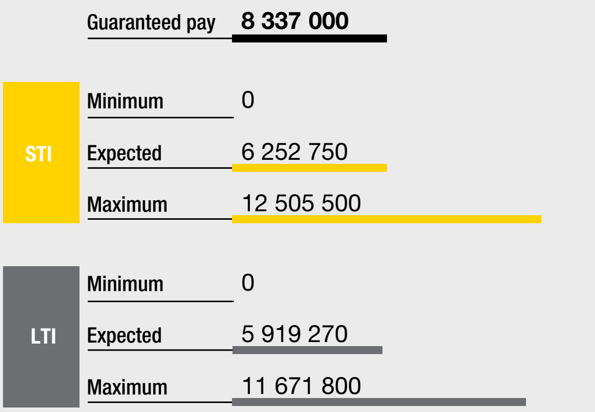
Retention schemes

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

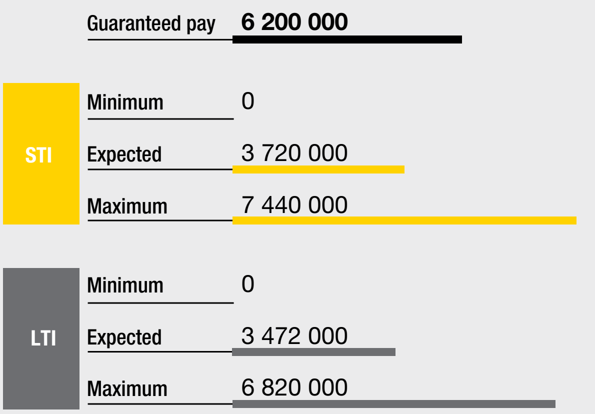
Total remuneration scenarios at different performance levels

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

Group chief executive (R million)



Group financial director (R million)



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

Expected = on-target STI allocation and expected value of LTI award

Maximum = stretch STI allocation and face value of LTI award

Guaranteed pay levels (on which other elements of the package are calculated) are based on those applying on 1 July 2024.

Remuneration policy for non-executive directors

Components of remuneration

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

Fees are benchmarked against companies listed on the JSE which are of a similar size and nature, in terms of market capitalisation and sector. This includes companies in the construction, mining, and industrial sectors. It is the Group's policy to align fees to the upper quartile of the benchmark, in alignment with the total remuneration policy for executives and to ensure that suitably qualified and experienced non-executive directors are attracted to the Group. As described, these fees were also benchmarked against the revised comparator group by Remchannel – Executive Reward.

Remuneration governance

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

Membership

Ralph Havenstein chairs the remuneration & human resources committee. Suresh Kana and Alex Maditsi serve as members of the committee. The Group chief executive and Group financial director attend meetings in an ex officio capacity. The executives who attend meetings in an ex officio capacity do not participate in any discussions or decisions pertaining to their own remuneration. Expert advice is sought from time-to-time. Clifford Raphiri was appointed as a member of the committee on 21 June 2024 and will succeed me as chairman upon my retirement as board director on 5 November 2024 at the AGM.

Terms of reference

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

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

IMPLEMENTATION REPORT

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

Single total figure of remuneration

The table below includes the total remuneration for the reported financial year and the previous financial year. The table includes guaranteed pay, the short-term incentive paid and the long-term incentives that will vest due to performance in the financial year.

Single total figure of remuneration for period to 30 June 2024

Payment in Rand (R'000)

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Da Costa, Mike (note 1)	–	–	–	–	515	–	–	175	515	175
Du Plessis, Japie (note 2)	4 080	–	2 387	–	221	–	–	–	6 688	–
Grobler, Daniël	6 200	6 061	2 604	977	750	897	–	–	9 554	7 935
Harrison, Steve	3 986	3 986	400	377	318	398	–	–	4 704	4 761
Henstock, Ian (note 3)	–	775	–	–	–	–	–	106	–	881
Laas, Henry	8 337	8 337	4 377	2 501	1 581	1 010	118	118	14 413	11 966
Mdluli, Thokozani	3 842	3 842	1 283	538	345	451	–	–	5 470	4 831

Payment in AUD (AU$'000)

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Da Costa, Mike (note 1)	779	833	548	96	94	71	243	–	1 664	1 000
Bennett, Peter (note 4)	–	417	–	–	–	–	–	–	–	417

Payment in USD (US$'000))

EMPLOYEE	Guaranteed pay		STI		LTI		Other		Total remuneration	
NAME	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Smith, Eric (note 2)	437	–	275	–	120	–	–	–	832	–
Kou, Steven (note 2)	364	–	189	–	93	–	–	–	646	–

Note 1: Mike Da Costa was retrenched on 31 May 2024.
Note 2: Appointed to the Board on 1 March 2024.
Note 3: Ian Henstock resigned on 12 December 2022.
Note 4: Peter Bennett resigned on 15 December 2022.

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

2024	2023
GUARANTEED PAY	
Guaranteed pay earned for the period including benefits and retirement fund contributions. Similar to the previous year, no remuneration adjustment was made for executive directors. Prescribed officers received a 4% increase for FY2024 (effective 1 July 2024) (FY2023: 0.0%).	Guaranteed pay earned for the period including benefits and retirement fund contributions. No remuneration adjustment was made for executive directors and prescribed officers for FY2023 (effective 1 July 2023) (FY2022: 5.0%).
STI	
STI awarded for FY2024 performance payable in September 2024.	STI awarded for FY2023 performance. 70% of the award was payable in cash in September 2023, and 30% deferred as an LTI award, which will vest one third each year from FY2024 to FY2026.
LTI	
The value of LTI awards under the 2021 CSCR award that vest in 2024, based on performance during the three-year period to 30 June 2024. The value of that award is based on a share price on 30 June 2024 of R2,14. 50% of the 2021 CSCR awards lapsed due to the EBIT margin performance measure not being met. The cash conversion ratio of EBITDA into cash exceeded the target for maximum vesting, at 80%. Consequently, 50% of the award vested for this performance measure.	The value of LTI awards under the 2020 FSP that vested in 2023, based on performance during the three-year period to 30 June 2023. The value of that award was based on a share price on 30 June 2022 of R0,96. 50% of the 2020 FSP awards lapsed due to the EBIT margin performance not being met. The cash conversion ratio of EBITDA into cash exceeded the target for maximum vesting, at 80%. Consequently, 50% of the shares vested for this performance measure.
OTHER	
The benefit to Henry Laas consists of a fringe benefit on the use of a company vehicle.	The benefit to Henry Laas consists of a fringe benefit on the use of a company vehicle. The benefit to Ian Henstock represents payment to him to secure private life cover.

FY2024 STI performance outcomes

Financial performance is measured against KPIs, based on audited annual financial results, net of STI accruals. Non-financial individual performance KPIs are based on a formal performance assessment conducted by the Group chief executive for the executives and by the remuneration committee and Board chairman for the Group chief executive.

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

Non-financial individual performance is assessed against suitable KPI's and is rated on a sliding scale from 1 to 5, where a score of 2 represents threshold performance, 3 on-target performance, 4 excellent performance and a score of 5 stretch performance.

Performance against the FY2024 Group targets are summarised below. The outcome for financial KPIs represents the overall Group performance expressed as a percentage achievement against the specific target. Performance against non-financial KPIs is the average for executives out of a score of 5.

KPA	KPI	Outcome	Comments
FINANCIAL			
WEIGHTING 70%	**Profitability – EBIT** (Weighting 20%)	0%	EBIT profit of R170 million achieved relative to target of R226 million for continuing operations.
	Profitability – diluted HEPS (Weighting 20%)	0%	Diluted HEPS from continuing operations of -24 cents achieved relative to target of -12 cents.
	Cash flow – net cash (Weighting 10%)	120%	Net positive cash of R378 million achieved relative to target of negative R834 million. This outcome was mainly achieved as a result of working capital management through early payments from clients on certain projects and improved debtor and creditor terms.
	Cash flow – free cash flow (Weighting 10%)	120%	Positive free cash flow of R1 075 million relative to target of R285 million. Working capital management through early payments received from clients and improved debtor and creditor terms have benefitted the Group cash flow position.
	Returns (Weighting 10%)	0%	Performance of less than 80% of WACC compared to target attracts no STI payment for the element.

Implementation report continued

KPA	KPI	Outcome	Comments
LEADERSHIP			
WEIGHTING 7.5%	**Strategy implementation**	**3.2** out of 5	Significantly reduced debt in South Africa and achieved all deleveraging milestones agreed with South African banking consortium, other than repayment of remaining R409 million debt by June 2024. Agreement reached with the banking consortium for the remaining debt to be repaid by January 2026. Negotiations with potential funders are ongoing to re-finance the SA debt.
	Transformation & diversity		In South Africa, achieved level 1 B-BBEE rating. Diversity and Inclusion policies established across the Group.
	Leadership succession & development		Performance management and succession planning effectively undertaken across the Group.
RELATIONSHIPS			
WEIGHTING 7.5%	**Stakeholder engagement**	**3.0** out of 5	Maintained good relationships with all major stakeholders. Public relations and investor relations well managed.
	Employee relations		Effective communication maintained to all employees, especially considering rightsizing implemented during the year.
OPERATIONAL			
WEIGHTING 7.5%	**Good governance**	**3.0** out of 5	Group-wide compliance with good governance practices. Group sustainability framework established and applied across the Group.
	Commercial management		Effective and proactive management of project claims and commercial processes ongoing, including the exit from the Middle East.
	Project performance		Generally much improved project performance, although room for improvement in OptiPower and some projects in Murray & Roberts Cementation.
RISK			
WEIGHTING 7.5%	**Health, wellness & safety**	**2.9** out of 5	No fatal incidents recorded during the year. LTIFR and TRCR acceptable but not within limits. 40 Zero Harm projects.
	Risk management		Risk management practices and internal audit are established disciplines and no material findings were reported.
	Environment		Environmental management in accordance with standards, and no material environmental incidents were reported.

The STI breakdown for the Group chief executive for FY2024 is set out below:

	2024	2023
FINANCIAL (70%)	2 501 100	0
Diluted HEPS	0	0
EBIT	0	0
Net cash	1 250 550	0
Free cash flow	1 250 550	0
ROICE	0	0
NON-FINANCIAL (30%)	1 875 825	2 501 100
Leadership	468 956	625 275
Succession	468 956	625 275
Relationships	312 637	416 850
Operational	312 638	416 850
Risk	312 638	416 850
TOTAL	4 376 900	2 501 100

FY2024 LTI performance outcomes

Vesting of the 2021 Cash Settled Conditional Rights award

The three-year performance period for the 2021 CSCR award ended on 30 June 2024. The 2021 CSCR award comprised 6 987 208 rights, with a total of 3 486 250 rights awarded to the executive directors and prescribed officers. 50% of the award was subject to an EBIT margin performance condition and 50% on the cash conversion ratio of EBITDA into cash. The EBIT margin performance over the performance period was below threshold, hence no shares vested for this performance measure. The cash conversion ratio of EBITDA into cash was 98%. Consequently, 50% of the shares vested for this performance measure.

The below-threshold performance in EBIT margin, and the cash conversion ratio of EBITDA into cash above the target for maximum vesting, resulted in 50% of the 2021 CSCR award being forfeited and these shares lapsed on 27 August 2024. The remaining 50% of the 2021 CSCR award vested. The calculation of the vesting percentage of these awards was audited by the external auditors.

As reported in FY2021, the Group chief executive received 1 477 500 shares as cash settled conditional rights on 1 September 2021. The same vesting and performance conditions applied to this award. As a result 738 750 cash settled conditional rights have been forfeited and the balance of 738 750 vested.

LTI award 2024

In terms of the FSP scheme rules, the aggregate number of shares at any one time which may be allocated under the FSP may not exceed 5.0% of the number of shares in issue. This represents 22 236 806 shares. As at 30 June 2024, there were 6 744 148 shares under the FSP, which is less than the aggregate cap. This includes FSP awards under the STI deferral.

This limit was set in 2012, when the share price was trading at higher levels and the subsequent reduction in the share price has led to an increase in the number of shares awarded to achieve the award value in terms of the remuneration policy.

As a result of the limit referred to above, it was resolved to award a cash settled long-term incentive on 1 September 2024, which will vest in 2027. This award is not linked to the share price but rather a fixed rand amount as per the remuneration policy. This will prevent participants from receiving a windfall in the event of a material share price increase from current levels. It also protects the Group against a possible large cash outflow should the share price increase substantially.

A total LTI of R63,5 million was awarded, of which R17,5 million was awarded to executive directors and prescribed officers.

As the Group chief executive has reached normal retirement age, an award has not been made to him in 2024. A final award was made to him in September 2021.

The allocation took job grade, individual performance, and retention risk into consideration. The vesting of the 2024 LTI award is subject to meeting performance conditions for the three-year performance period from 1 July 2024 to 30 June 2027, as shown in the table overleaf.

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

Long-term cash settled awards were made to executives operating outside South Africa in October 2024 under the LTCSIP. The October 2024 LTCSIP award is the annual allocation of awards to senior executives outside South Africa, and will vest in 2027. The allocation took job grade, individual performance, and retention risk into consideration.

The vesting of these awards is subject to meeting the same performance conditions as set out below, over the three-year performance period from 1 July 2024 to 30 June 2027.

30% of the award will vest at threshold and 100% at target, with no vesting for below-threshold performance. Linear vesting will apply between these points.

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September 2024 LTI award performance conditions

Criteria	Performance condition	Weighting	Threshold	Target for maximum vesting
EBIT margin	Earnings before interest and tax for continuing operations divided by revenue from continuing operations	30%	3%	**5%**
Conversion ratio of EBITDA into cash	Operating cash flow plus dividends received divided by earnings before interest, tax, depreciation and amortisation	50%	60%	**80%**
Real growth in NAV	Net asset value for continuing operations at the end of the financial year, divided by the net asset value at the start of the financial year, adjusted by CPI	20%	NAV maintained in real terms	**NAV plus 2% in real terms**

Outstanding long-term incentives

FSP awards and STI deferred into FSP awards

NAME	Date awarded	Opening balance	Number of shares allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value (R'000)	Estimated value (R'000)
Grobler, D	Oct 2020	997 500			498 750	498 750	**–**	Sep 2023	289	–
	Sep 2022	805 500					**805 500**			862
	STI 2020	35 624			35 624		**–**	Sep 2023	21	–
	STI 2021	55 148			27 574		**27 574**	Sep 2023	16	59
	STI 2022	77 167			25 719		**51 448**	Sep 2023	15	110
	STI 2023		669 812	419			**669 812**			1 433
Harrison, S	Oct 2020	493 000			246 500	246 500	**–**	Sep 2023	143	–
	Sep 2022	296 000					**296 000**			317
	STI 2021	9 072			4 536		**4 536**	Sep 2023	3	10
	STI 2022	21 946			7 314		**14 632**	Sep 2023	4	31
	STI 2023		258 322	161			**258 322**			553
Laas, H	STI 2020	78 947			78 947		**–**	Sep 2023	46	–
	STI 2021	114 247			57 123		**57 124**	Sep 2023	33	122
Mdluli, T	Oct 2020	459 000			229 500	229 500	**–**	Sep 2023	133	–
	Sep 2022	321 000					**321 000**			343
	STI 2020	16 826			16 826		**–**	Sep 2023	10	–
	STI 2021	25 853			12 926		**12 927**	Sep 2023	7	28
	STI 2022	44 421			14 805		**29 616**	Sep 2023	9	63
	STI 2023		368 949	231			**368 949**			790
Da Costa, M	Oct 2020	747 500			373 750	373 750	**–**	Sep 2023	217	–
	STI 2020	15 171			15 171		**–**	Sep 2023	9	–
	STI 2021	42 926			42 926		**–**	Sep 2023 & May 2024	54	–
	STI 2022	86 952			86 952		**–**	Sep 2023 & May 2024	129	–
Du Plessis, J	Oct 2020	170 000			85 000	85 000	**–**	Sep 2023	49	–
	Sep 2022	205 500					**205 500**			220

Cash Settled Conditional Rights issued in ZAR

NAME	Date awarded	Opening balance	Number of rights allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value (R'000)	Estimated value (R'000)
Laas, H	Oct 2020	2 103 500			1 051 750	1 051 750	**–**	Sep 2023	610	–
Laas, H	Sep 2021	1 477 500		–			**1 477 500**			1 581
Grobler, D	Sep 2021	701 000		–			**701 000**			750
Du Plessis, J	Sep 2021	206 500					**206 500**			221
Da Costa, M	Sep 2021	525 000		–			**481 250**			562
Harrison, S	Sep 2021	297 500		–			**297 500**			318
Mdluli, T	Sep 2021	322 500		–			**322 500**			345

Long-Term Cash Settled Incentive Plan issued in ZAR

NAME	Date awarded	Opening balance	Number of rights allocated	Value at grant date (R'000)	Number settled in the year	Number forfeited in the year	Closing balance	Settlement date	Settlement value (R'000)	Estimated value (R'000)
Grobler, D	Sep 2023			8 680			**8 680**			4 340
Du Plessis, J	Sep 2023			3 672			**3 672**			1 836
Harrison, S	Sep 2023			3 189			**3 189**			1 595
Mdluli, T	Sep 2023			3 458			**3 458**			1 729

Implementation report continued

Outstanding long-term incentives continued

Long Term Cash Settled Incentive Plan issued in AU$

NAME	Date awarded	Opening balance (AU$'000)	Value at grant date (AU$'000)	Settled in the year (AU$'000)	Forfeited in the year (AU$'000)	Closing balance (AU$'000)	Settlement date	Settlement value (AU$'000)	Estimated value (AU$'000)
Da Costa, M	Oct 2022	842			374	**468**			–
	Oct 2023	842			655	**187**			94

Long Term Cash Settled Incentive Plan issued in US$

NAME	Date awarded	Opening balance (US$'000)	Value at grant date (US$'000)	Settled in the year (US$'000)	Forfeited in the year (US$'000)	Closing balance (US$'000)	Settlement date	Settlement value (US$'000)	Estimated value (US$'000)
Smith, E	Oct 2020	129		64	65	**–**		64	–
	Oct 2021	240				**240**			120
	Oct 2022	300				**300**			150
	Oct 2023		334			**334**			167
Kou, S	Oct 2020	181		90	91	**–**		90	
	Oct 2021	185				**185**			93
	Oct 2022	197				**197**			99
	Oct 2023		206			**206**			103

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

For the cash settled Conditional Rights and the LTCSIP performance conditions, a vesting percentage of 50% has been applied for FY2024 and 50% is applied to calculate the estimated value for the remaining awards.

Remuneration outcomes for non-executive directors

The remuneration policy for the non-executive directors set out in the remuneration policy report was applied in FY2024. The remuneration for non-executive directors for the year ended 30 June 2024 was:

Non-executive directors' remuneration

NAME	Directors' fees R'000	Special Board R'000	Committee fees R'000	Lead independent fee R'000	Chairman's fees R'000	Total 2024 R'000	Total 2023 R'000
JA Boggenpoel	385	100	190	–	–	**675**	1 017
R Havenstein	–	100	–	1 334	–	**1 434**	1 670
SP Kana	–	–	–	–	1 890	**1 890**	1 868
NB Langa-Royds[1]	–	–	–	–	–	**–**	510
AK Maditsi	385	100	472	–	–	**957**	1 225
B Mawasha[2]	–	–	–	–	–	**–**	103
A Muller	385	100	354	–	–	**839**	1 155
DC Radley[1]	–	–	–	–	–	**–**	471
CD Raphiri	385	100	190	–	–	**675**	1 151
Total	1 540	500	1 206	1 334	1 890	**6 470**	9 170

1 Retired 3 November 2022.
2 Resigned 31 August 2022.

The remuneration of non-executive directors is submitted to the annual general meeting for approval in advance of such payment being made.

Fee proposal for 2025

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

No increase is proposed to non-executive directors' fees for 2025. The proposed fees (excluding VAT) are tabled below.

NED fees were benchmarked against the same revised comparator group as for executive directors. The fees are within the accepted tolerance band, compared to the upper quartile of the comparator group, in terms of the remuneration policy.

		Previous per annum	Proposed % increase	Proposed per annum
Chairman	Including director and committee fees[1]	R1 890 000	0%	R1 890 000
Lead independent director*	Including director and relevant committee fees[2&3]	R1 333 500	0%	R0
Director	Per annum[2,3,4]	R385 500	0%	R385 500
Committee Fees				
Audit & risk	Chairman	R354 000	0%	R354 000
	Member	R190 000	0%	R190 000
Nomination & governance	Member	R84 000	0%	R84 000
Remuneration	Chairman	R257 000	0%	R257 000
	Member	R131 000	0%	R131 000
Social & ethics	Chairman	R257 000	0%	R257 000
	Member	R131 000	0%	R131 000
AD-HOC MEETINGS				
Board	Member	R63 000	–	Refer below
Committee	Member	R32 000	0%	R32 000

* *Ralph Havenstein will retire as Board director and lead independent director on 5 November 2024 at the Group's annual general meeting. The Group will no longer have a lead independent director after Ralph's retirement.*

Ad-hoc Board meetings

a. Meetings less than three hours duration

Ad-hoc Board meetings held virtually, or in person, payable at a rate of R10 000 (ex VAT) per completed hour of the meeting, plus one hour for preparation.

b. Meetings more than three hours duration

Any ad-hoc Board meetings, virtual or in person, continuing for longer than three hours, would attract ad-hoc fees of R63 000 (ex VAT).

Fee deductions

1. Includes fees for chairing the nomination & governance committee and attending all Board committee meetings.
2. Calculated on the basis of four meetings per annum.
3. It is proposed that an adjustment deduction of R32 500 (2023: R32 500) per meeting be applied for non-attendance at a scheduled Board meeting.
4. It is also proposed that an adjustment deduction of R13 000 (2023: R13 000) per meeting be applied for non-attendance at a scheduled committee meeting.

In terms of Section 66(8) of the Companies Act, shareholders are referred to special resolution 1 included in the loose insert of the printed report, regarding approval of the proposed non-executive director fee structure for FY2025.