



**Murray
& Roberts**

**STATEMENT
OF BUSINESS
PRINCIPLES**



OPEN LETTER FROM THE GROUP CHIEF EXECUTIVE OFFICER

DEAR COLLEAGUES,

Murray & Roberts is a multinational specialised engineering and construction group and subscribes to good corporate governance, good corporate citizenship and ethical business practices. The Group is a signatory to the World Economic Forum Partnering Against Corruption Initiative (PACI), and is a member of Business Leadership South Africa and supports its Code of Good Corporate Citizenship.

It is unfortunate that according to Transparency International, the engineering and construction industry is perceived to be one of the industries most prone to corruption. This is of great concern to me and to the board of Murray & Roberts. In pursuing engineered excellence and subsequently globalising our business model, we have been guided by the desire to position ourselves as world class in all that we do. To that end, this Statement of Business Principles is intended to illustrate the conduct and behaviour that must be at the heart of our business practices.

It is intended not as a statement of new beliefs or a codification of new rules of conduct, but as reaffirmation of our enduring values and practices developed over more than a century. It does, however, identify areas of concern which if not addressed by everyone in the Murray & Roberts family, will damage our reputation, our brand and ultimately our market value.

We believe that the Statement of Business Principles represents the ideals and standards that will differentiate us in the market and signals a dedication to core values that form the basis of an ethical approach to business. While our commitment to sustainable earnings growth and value creation is not negotiable, so too is our commitment to a fair and ethical business environment. It is what has made us a significant global player in the international engineering and construction arena.

I urge you to read, understand and practice the values set forth in this Statement of Business Principles.

Sincerely

HENRY J. LAAS

GROUP CHIEF EXECUTIVE OFFICER

PREFACE

The Board of Directors of Murray & Roberts Holdings Limited has adopted the following Statement of Business Principles for directors, officers, employees.

The Statement of Business Principles is a Group Standard and is intended to focus the Board, each director, officer and employee on areas of ethical risk, provide guidance to directors, officers and employees to help them recognise and deal with ethical issues, provide mechanisms to report unethical conduct and help foster honest and ethical conduct. Each director, officer and employee must comply with the letter and spirit of this Statement of Business Principles.



No standard can anticipate every situation that may arise. Accordingly, this Statement of Business Principles is intended to serve as a standard of guiding principles for directors, officers, employees and suppliers.

Murray & Roberts reserves the right to amend or rescind this Statement of Business Principles or any portion of it and to adopt different standards and procedures at any time. In the event of any conflict or inconsistency between this Statement of Business Principles and any other materials distributed by the Company, this Statement of Business Principles shall govern. If a law conflicts with a requirement in this Statement of Business Principles, then it is the law which must be followed.





01 PURPOSE

To establish standards to which all employees, service providers and business partners of the Murray & Roberts Group are expected to adhere.

To stipulate acceptable behaviour that will govern the business endeavours of Murray & Roberts' employees.

To articulate principles of business conduct which ensure that Murray & Roberts conforms to the minimum standards required by law.

To provide guidance in dealing with potential problem situations.

02 SCOPE

The intent of this Statement is to address the following areas of concern:

Labour and workplace safety

Fraud

Corruption

Bribery

Collusion

Unfair business practices

Gifts and hospitality

Ethical conduct

Sexual harassment

Conflict of interest

Business relationships

Confidentiality

03 APPROACH

This Statement is anchored in the conviction that Murray & Roberts values:

BUSINESS CONDUCT

- Professionalism and integrity in the conduct of our business;
- Open and honest disclosure of information;
- Resolution of disputes by direct personal discussion.

EMPLOYEES

- Enhancing diversity in our workforce;
- Working in partnership to create a better future for all our people.

HEALTH, SAFETY & ENVIRONMENT

- Integrating sound health, safety and environmental management into all aspects of our business activities to achieve zero harm.

CORPORATE CITIZENSHIP

- Supporting a socially responsive culture;
- Participating in the economic development and sustainable growth of communities in which we operate.

04 APPLICATION

This Statement of Business Principles applies to all employees, service providers and business partners of the Murray & Roberts Group, who act in the name of, or on behalf of Murray & Roberts. All such parties are expressly prohibited from participating in any form of improper conduct that would constitute fraud, bribery, corruption and unfair business practices.

All individuals or parties employed by, or acting on behalf of Murray & Roberts are expected to be familiar with, and perform their duties in accordance with this Statement of Business Principles, and all applicable laws and regulations.

05 AMBIT

FRAUD

Fraud occurs when a materially false statement is made with the intent to deceive and another party relies on that false statement and suffers damages as a consequence.

Murray & Roberts prohibits any fraudulent actions in its business transactions carried out directly or through its subsidiaries, partnerships and third parties. An example of business fraud is material misrepresentation of capacity with intent to secure a tender or contract. Do not promise what cannot be delivered. If a party relies on such a promise and suffers damage Murray & Roberts and its executives could be subjected to a charge of fraudulent inducement.

CORRUPTION

Corruption occurs when any person directly or indirectly accepts or agrees or offers any gratification from any in order to act in a manner that amounts to the illegal, dishonest, unauthorised, incomplete, or biased: or the abuse of a position of authority; breach of trust.

Corruption takes many shapes and forms and in the engineering and construction industry may involve:

- Cover pricing
- Facilitation payments
- Indirect payments to agents, intermediaries or other third parties
- Non-cash payments (company products, services, favours, etc.)
- Sponsorships (e.g. for an event or participation at an event) or donations to extortionists' preferred causes
- Political donations
- Employee expenses (e.g. bribes made via employee/corporate credit cards)
- Inappropriate gifts (hospitality, entertainment, travel)
- Bribes or payments to obtain official clearance or permissions
- Concealment of bribes
- Bribery to obtain a contract
- Leaking information to a preferential bidder
- Production of fraudulent timesheets/invoices
- False or exaggerated claims against a contractor or subcontractor in order to withhold or reduce payment on a contract
- Inclusion of false extra cost to a contract claim
- Corrupt practices during prequalification and tendering phase.

Murray & Roberts prohibits any fraudulent actions in its business transactions carried out directly or through its subsidiaries, partnerships and third parties.

BRIBERY

Bribery is defined as the offering, promising or giving, as well as the demanding or accepting, of any undue advantage, whether directly or indirectly, to or from:

- A public official
- A political candidate, party or party official; or
- Any private sector employee (including a person who directs or works for a private sector enterprise in any capacity).

Murray & Roberts prohibits bribery in any form in its business transactions carried out directly or through its subsidiaries, partnerships and third parties.



COLLUSION

Collusion is any agreement between or concerted practice by firms or a decision by an association of firms that has the effect of substantially preventing or lessening competition in a market and includes:

- directly or indirectly fixing a purchase or selling price or any other trading condition
- dividing markets by allocating customers, suppliers, territories or specific types of goods or services; or
- collusive tendering, which includes providing cover prices or including losers fees in tenders.

The sharing of information about prices, discounts, capacity, territory, customers and the like within a trade association must be done with great caution.

Murray & Roberts prohibits collusion in its business transactions carried out directly or through its subsidiaries, partnerships and third parties.

UNFAIR BUSINESS PRACTICES

- Employees must avoid placing themselves in situations where their personal interest conflicts with the performance of their work for Murray & Roberts.
- Murray & Roberts' employees are expected to conduct all business transactions in good faith and avoid breaching any commitments or obligations that have been made in the name of the Company.
- Employees should avoid making any adverse claims about a competitor or competitor product/service unless based on documented proof, ideally substantiated by independent testing.

GIFTS AND HOSPITALITY

GENERAL

- A gift means any donation, gift, loan, fee, reward, favour, service, discount, or any other benefit. No cash (any amount) may be received or given as a gift.
- Hospitality includes without limitation, tickets to sporting events, entertainment, training, conferences and similar types of corporate and other hospitality events, and may or may not include travel and or accommodation.

Employees should not receive or give gifts and or hospitality offerings that are beyond the normal courtesies of professional relationships. Acceptance of a gift or hospitality offering must not negatively impact on the reputation of Murray & Roberts and must not compromise, nor be perceived to compromise, Murray & Roberts or the employee concerned in the course of his or her employment. In general the value of gifts or hospitality offering should be insignificant. All gifts or hospitality offering received and/or given must be recorded in the Gift Register, together with all required details, including the value of the gift. This must be done within five working days of receiving/giving the gift/hospitality.

The Gift Register will be held and maintained by the Group Legal Executive.

The value of the gift is the value the staff member would have had to pay had they purchased the gift/entertainment offer/benefit as fairly assessed by them.

Any gift or hospitality offering that has the potential to affect that employee's future objectivity or places that employee under any obligation, is not acceptable in any circumstances.

Any offer of this kind must be declined politely or returned to the sender immediately if it is delivered without prior notice. The onus is on the employee to seek clarification from his or her line manager in the event of uncertainty.

Cash gifts may not be accepted or given under any circumstance. Vouchers for exchange for goods or services may be given or received, as long as they are redeemed for goods or services and not for cash.

An employee may not accept from any customer or service provider/business partner/associate directly or indirectly, and whether for their benefit or for the benefit of a third:

- Money, whether in cash or otherwise;
- Any valuable security, property or interest in any property, whether movable or immovable;
- Any payment, release, discharge or liquidation of any personal loan, obligation or other liability whether in whole or in part;
- Any personal service or favour or advantage such as protection from any penalty or disability whether civil or criminal;
- Any intangible benefit, such as, but not limited to a country club membership option as an example;
- Any valuable consideration or benefit of any kind, including any discount, commission, rebate, bonus, deduction or percentage;
- Any benefit in a will, codicil or any inheritance, unless the staff member holds a personal relationship with the deceased.
- Any such offer must be referred to the staff member's line manager.

GIFTS

If an employee receives or gives a gift worth less than R300 in value, they must provide all details to the Group Legal Executive so that the gift can be recorded in the Gift Register. No line management approval need be obtained.

If an employee receives or gives a gift in excess of R300 in value, approval from the employee's line manager must be obtained. The employee must provide the details of the gift to the Group Legal Executive so that the gift can be recorded in the Gift Register. Consent from the line manager needs to be evidenced, and evidence of such will be retained by the Group Legal Executive.

If a gift is received by an employee with a value exceeding R300, the gift may be accepted pending line management approval. If no approval is given, the employee has a responsibility to return the gift within a reasonable time.

The accumulated value of gifts to or from the same source must not exceed R1 000 per annum. If this amount is exceeded, authorisation from the appropriate member of Murray & Roberts Limited must be obtained and retained by the Group Legal Executive. If the employee is a member of Murray & Roberts Limited, such authorisation shall be obtained from the Chairman of Murray & Roberts Limited, and in the case of the Chairman of Murray & Roberts Limited, from the Chairman of Murray & Roberts Holdings Limited.

HOSPITALITY

Where a staff member accepts or extends an invitation for a one/multi-day event, such as a sporting event, hunting trip, training event, seminar or other event, where accommodation and/or travel is not included, the employee may accept or extend the invitation and provide all details to the Group Legal Executive so that the gift can be recorded in the Gift Register.

If such an invitation includes accommodation and/or travel, prior approval from the employee's line manager must be obtained. The line manager may feel, after due consideration of the nature and value of the hospitality, that approval from the Murray & Roberts Limited member to which he or she reports must be sought. If so, the employee must obtain this consent in writing. The invitation together with confirmation of the consent must be recorded in the Gift Register.

The cost of meals with clients/service providers must be kept to a level that is clearly reasonable, and the frequency of the entertainment of the same parties must also be kept to a level that is acceptable. These do not need to be recorded in the Gift Register.

If an employee is unsure as to what may be considered acceptable, he or she must approach their line manager or the Group Legal Executive.

ETHICAL CONDUCT

Murray & Roberts does not condone unfair discrimination and expects everyone who works for or acts on behalf of the Group to adhere to the highest of ethical standards. It expects that all employees and service providers will treat those with whom they

come in contact with dignity and respect. Murray & Roberts expects everyone to refrain from conduct that can have a negative effect on colleagues, the working environment or Murray & Roberts. To that end, Murray & Roberts adheres to the principle that:

"No person may unfairly discriminate, directly or indirectly, against an employee in any employment policy or practice, on one or more grounds including race, gender, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, health status, conscience, belief, political opinion, culture, language and birth."

SEXUAL HARASSMENT

Murray & Roberts believes that sexual harassment is a form of misconduct that undermines the integrity of the employment relationship. All employees have the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing, coercive, or disruptive, including sexual harassment. No employee, either male or female, should be subjected verbally or physically to unsolicited and undesirable sexual overtures or conduct. Anyone engaging in harassing conduct will be subject to discipline, ranging from a warning to termination.



CONFLICT OF INTEREST

- It is the policy of Murray & Roberts that no one should work on or deal with any matter in which they, their spouse, partner, close relative or any other person with whom they have close relations, has a direct or indirect financial interest. Individuals are advised that they may not work or deal with any matter where there are other circumstances that might undermine trust in the employee's or service providers impartiality or to the integrity of the work.
- Employees or service providers must behave impartially in all business dealings and not give other companies, organisations or individuals improper advantages.
- The individual must not become involved in relationships that could give rise to an actual or perceived conflict with Murray & Roberts interest or could in any way have a negative effect on their own freedom of action or judgment.

BUSINESS RELATIONSHIPS

- No employee may enter into any agreement binding the Company without proper authorisation.
- Officers, directors and employees are expected to maintain the confidentiality of information about projects, pricing or technology that is shared by the Company's customers and/or suppliers.

CONFIDENTIALITY

- Employees or service providers are under a duty to prevent unauthorised persons from gaining access to information that may be detrimental to Murray & Roberts' business or reputation.
- Information classified as "confidential" must not be disclosed to unauthorised personnel in Murray & Roberts. This applies to sensitive information concerning security, individuals, commercial, technical or contractual matters and to information protected by law.



06 GUIDANCE

In questionable situations or circumstances, employees are encouraged to ask themselves whether the contemplated action:

- Would not be approved by their manager or Group management;
- Could potentially be the subject of adverse publicity in the media;
- Could potentially result in some form of arrangement with a competitor;
- Could potentially lead to a criminal or civil action being brought against them or Murray & Roberts.

If any of the questions can be answered with a yes – the employee should not undertake the transaction, unless the employee's manager approves and records the action.

For further guidance or assistance in dealing with questionable or unusual circumstances, employees should seek the advice and recommendation of the Group's Legal Executive.

07 OPEN DOOR POLICY

Employees are encouraged to express themselves to their managers about any matters relating to their jobs and suggestions for improving the Company's operations.

Murray & Roberts believes that communication is the avenue for the development of ideas, resolution of issues and understanding each other's needs, expectations and responsibilities. Employees are encouraged to express themselves to their managers about any matters relating to their jobs and suggestions for improving the Company's operations. If a manager cannot address or resolve the issue, then the employee can request his or her manager to take the matter to higher management or other appropriate persons for an appropriate response. Differing opinions and expressions of concern are welcome. While persons may disagree with one another, the Company believes that healthy discussion is important.



08 REPORT ALL VIOLATIONS

Employees shall report any actual or suspected violation of this Standard to:

- The Murray & Roberts Tip-Offs Anonymous Hotline on 0800 003 246 or murrob@tip-offs.com and/or the Group's Legal Executive.
- Such reports shall be treated confidentially.
- No adverse action or retribution will be taken by the Group against employees for reporting such violations.
- Strict adherence to this Standard is vital.

09 PENALTIES

Violations of this Standard may result in disciplinary measures ranging from warning to immediate termination for cause and in certain cases the filing of a civil or criminal charge.

Murray & Roberts maintains an internal audit function and an external forensics team to monitor compliance with this Standard.

10 UNSURE?

If any aspect of this Statement of Business Principles is unclear to you as an employee, or if you have any questions or face dilemmas that are not addressed, or if you are in, or aware of, or unsure of a situation that you believe may violate or lead to a violation of this Statement of Business Principles, you should confer with your manager or the Group's Legal Executive.



11 DISCLAIMER

The Statement of Business Principles does not create, nor is intended to be construed as creating, any right(s) enforceable by a third party and all third party rights implied by law are, to the extent permissible by law, excluded.

12 INDEMNIFICATION

Provided that the employee has acted in good faith and in a manner that is determined as being reasonable and in the best interest of Murray & Roberts:

- Murray & Roberts will indemnify such employee who was or is party to any threatened, pending or completed action or lawsuit as a consequence of his or her job execution. However, this indemnity will not extend to gross negligence and wilful misconduct on the part of such employee, or any conduct involving personal criminal liability.
- This indemnity includes:
 - Expenses incurred in defending such an action or lawsuit.
 - Possible financial awards to be supported (e.g. attorney fees, costs of the proceeding etc.)
 - Necessary support for the best defence in the employee's interest.
 - At the discretion of the Group Chief Executive, continuation to a person who has ceased to be an employee of Murray & Roberts concerning an incident that occurred during his or her service within the Murray & Roberts Group.

The Statement of Business Principles is intended to illustrate the conduct and behaviour that must be at the heart of our business practices.

13 GOVERNING PRINCIPLES

All employees, service providers and business partners of the Murray & Roberts Group shall not:

- Offer business courtesies or favours in an effort to gain an improper advantage in business transactions.
- Accept anything of value from someone doing business with Murray & Roberts, where the gratuity is offered, or can be perceived as offered in exchange for any type of favourable treatment.
- Undertake any activities which could involve Murray & Roberts in any practices which are:
 - Illegal
 - Unethical
 - Immoral
 - Adverse to the integrity of the Group and its management.

Examples of such activities or behaviour are as follows:

- Extortion
- Bribes
- Payoffs
- Collusion
- Sophisticated methods of concealment
- All form of corporate fraud
- Sexual harassment
- Intimidation
- Discrimination (sexual, gender, religious, racial, etc.)
- Abuse of position

Tip Offs Anonymous

Report all actual or suspected violations to:

Tip Offs Anonymous
0800 003246 or murrob@tip-offs.com

www.murrob.com