REMUNERATION REPORT

INTRODUCTION BY THE REMUNERATION AND HUMAN RESOURCES COMMITTEE CHAIRMAN

I am pleased to present the remuneration committee's report on directors' and prescribed officers' remuneration.

To enhance reporting and disclosure of directors' and prescribed officers' remuneration, our remuneration report has been structured to outline our remuneration policy and to report on the remuneration outcomes against our policy.

In terms of King III and best practice principles, the remuneration policy as contained in this remuneration report will be put to a non-binding shareholders vote at the annual general meeting of shareholders. Shareholders are referred to ordinary resolution number 8 in the loose insert of the printed report.

Our remuneration policy for executive directors and prescribed officers continues to be based on the principle of pay for performance and alignment with shareholders. Annual short-term incentives are determined using a balanced scorecard of financial and non-financial measures aligned to the Group's vision and strategic imperatives. 30% of the short-term incentive awarded is deferred into Murray & Roberts shares or conditional rights under the long-term incentive schemes, which vest over three years. This enhances alignment with shareholders' interests, serves as a clawback mechanism and supports retention of executives.

The long-term incentive plan rewards sustained financial performance, measured through our Return on Invested Capital Employed ("ROICE"), relative Total Shareholder Return ("TSR") compared to other JSE-listed companies in our sector and Free Cash Flow ("FCF") generated. Executive directors and prescribed officers are also encouraged to build a personal shareholding in Murray & Roberts.

Following shareholder engagement, the remuneration committee conducted a peer and best practice remuneration policy review of short-term incentives ("STI") and long-term incentives ("LTI") practices and the following changes have been made to the remuneration policy:

- For the FY2016 short-term incentive scheme, continuing diluted headline earnings per share has been included as an additional financial measure, which better aligns the performance metrics to shareholder interests.
- The peer benchmarking indicated that Murray & Roberts' short-term incentive allocation levels, particularly for the chief executive and financial director, lag the market. As a consequence, an upward adjustment to the allocation model for the FY2016 short-term incentive scheme has been made.
- For the September 2015 long-term incentive awards, more robust performance targets and vesting criteria have been introduced. These changes led to a decrease in the expected value of the instruments. This, together with benchmarking, indicating that long-term award levels lag peers, resulted in an increase in the LTI face value allocation levels.
- With respect to non-executive directors' fees, an Australian resident non-executive directors' fee structure is proposed for 2016 to enable the Group to attract and retain an Australian resident non-executive director.

As described in this integrated report, Murray & Roberts was impacted by the poor trading conditions in oil and gas, mining and construction. Activities in these sectors were at their lowest for more than a decade. Lower financial performance in 2015 than 2014 was due to these difficult markets (particularly in the oil and gas sector). Operating profit was marginally above threshold at R1,125 million and Return on Invested Capital Employed ("ROICE") performance of 12,7% was above threshold but below target, due to the lower profitability. Net cash of R1,413 million was lower than 2014 but better than target, and FCF of R177 million was below threshold, impacted by the inability to secure new advance payments to counter repayment of advances during the year. Although disappointing, the performance is commendable given the very difficult trading conditions both in Southern Africa and Australia.

This year's performance is reflected in the remuneration received by executive directors and prescribed officers during the year under review:

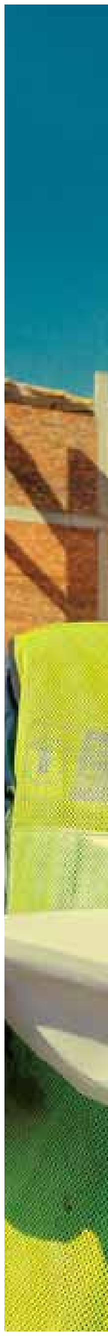
- Annual short-term incentives of 46,0% of the possible maximum have been awarded in respect of performance in 2015, 40,0% lower than awarded in 2014. This recognises the Group's disappointing financial performance on the one hand and the satisfactory performance against individual non-financial objectives that were set at the start of the year.
- The performance period for the 2012 Forfeitable Share Plan ("FSP") long-term incentive ended on 30 June 2015. Half of the award was based on ROICE performance, 25% on relative TSR performance and 25% on FCF. ROICE for the three-year performance period was 19,9%, above the target of 15,6%, being Weighted Average Cost of Capital ("WACC") plus 3%. The Group's TSR over the performance period was disappointing at a negative compound rate of 17,2%, which is below threshold. Cumulative free cash flow was above the cash positive target with a positive free cash flow of 79 cents per share. As a result of this performance, only 75% of the 2012 FSP award will vest on 28 November 2015, subject to the continued employment of the executives to that date.
- Guaranteed pay increases of 5,2% were implemented with effect from 1 July 2015, below the average percentage increases awarded to salaried staff across the Group.

As always we welcome the input of our shareholders on our remuneration policy and trust that the changes made during the year reflect greater shareholder alignment and we believe they will lead to an enhanced performance culture in pursuit of the Group's strategic objectives and sustained shareholder value creation.

ROYDEN VICE
CHAIRMAN
REMUNERATION & HUMAN RESOURCES COMMITTEE

"OUR REMUNERATION POLICY FOR EXECUTIVE DIRECTORS AND PRESCRIBED OFFICERS CONTINUES TO BE BASED ON THE PRINCIPLE OF PAY FOR PERFORMANCE AND ALIGNMENT WITH SHAREHOLDERS."

REMUNERATION REPORT



Introduction

The remuneration report has been prepared by the remuneration & human resources committee ("remuneration committee") in line with the principles outlined in King III and has been approved by the Board. The remuneration report has been updated and reflects international reporting trends. The report covers executive directors', prescribed officers' and non-executive directors' remuneration.

The Group executive committee makes key management decisions under the authority that has been delegated to it by the Board and is responsible for execution of the Group's strategy. The members of the executive committee during FY2015 are shown in the table below.

Executive committee members

Name	Title	Designation
Henry Laas	Group chief executive	Executive director
Cobus Bester	Group financial director	Executive director
Orrie Fenn	Chief executive officer – Underground Mining business platform	Prescribed officer
Kevin Gallagher	Chief executive officer – Oil & Gas business platform	Prescribed officer
Jerome Govender	Chief executive officer – Infrastructure & Building business platform	Prescribed officer
Ian Henstock	Commercial executive	Prescribed officer
Thokozani Mdluli	Health, safety and environment executive	Prescribed officer
Frank Saieva[1]	Chief executive officer – Power & Water business platform	Prescribed officer
Andrew Skudder	Sustainability executive	Prescribed officer

1 Frank Saieva resigned on 29 May 2015.

The non-executive directors who served on the Board during FY2015 are listed in the table below.

Non-executive directors

Name	Designation
Mahlape Sello	Independent non-executive chairman
Dave Barber	Independent non-executive director
Ralph Havenstein	Independent non-executive director
Ntombi Langa-Royds	Independent non-executive director
Michael McMahon	Independent non-executive director
Bill Nairn[1]	Independent non-executive director
Royden Vice	Independent non-executive director

1 Bill Nairn retired as an independent non-executive director on 1 January 2015.

Suresh Kana was appointed as an independent non-executive director on 1 July 2015 and Xolani Mkhwanazi was appointed as an independent non-executive director on 1 August 2015.

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 FY2015.

Remuneration policy principles

Murray & Roberts believes that directors, senior executives and 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 has to 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 key and critical talent.

The Murray & Roberts remuneration policy is aligned to the Group strategy, which aims to deliver enhanced shareholder value through growth in profitability and cash flows, focus on international natural resource market sectors, diversification of the Group's business model, delivery of project and commercial management excellence and enhanced safety, performance and diversity of the Group's employees.

Murray & Roberts recognises that its remuneration policy should be formalised across all the Group's businesses for remuneration to be consistent and fair, however it needs to remain flexible enough to acknowledge differences across businesses, with varying market conditions and external benchmarking, per business platform.

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 Company and shareholders, the following broad principles are applied:

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

The Company seeks to position guaranteed pay at the median against appropriate benchmarks, however, for total remuneration the policy is to position earnings at the 75th percentile for executives, senior management and key talent and critical skills, where the 75th percentile is achieved at 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.

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 equity being cornerstones for setting guaranteed pay.

Operation	Maximum opportunity
n Guaranteed pay consists of salary, benefits and retirement fund contributions. n Positioned at market median (per job grade taking into consideration the size and complexity of the role). The committee considers the impact of any guaranteed pay increase on the total remuneration package. n Paid monthly in cash net of allocations to travel allowances, retirement fund, insured benefits and medical aid. n Guaranteed pay (and other elements of the remuneration package) are paid in different currencies as appropriate to reflect the geographic location of the executive. n 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. n Benchmarking is performed relative to peer companies for executive directors and for prescribed officers, against companies listed on the JSE which are of a similar size and nature in terms of market capitalisation and sector. The Oil & Gas business platform CEO is benchmarked against an appropriate group of Australian Securities Exchange-listed engineering and construction and oil and gas operator companies.	There is no prescribed maximum annual increase. However, increases will normally be no more than 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 role or change in responsibility.

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

Operation	Maximum opportunity
n Benefits such as travel allowances, insurance policies relating to death-in-service and disability benefits and medical aid are included in guaranteed pay.	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, where pensionable salary is no less than 50% of guaranteed pay. 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	Maximum opportunity
n Executives in South Africa contribute to the Murray & Roberts Retirement Fund, which is a defined contribution pension fund. n In Australia contributions are made, as part of guaranteed pay, to a superannuation fund structured as a defined contribution fund.	Maximum company contributions are set according to local retirement fund rules.

Short-term incentives drive Company and team financial performance, as well as individual performance for non-financial measures, in order to deliver sustained shareholder value. It also provides alignment with shareholders through a deferred component.

Operation	Maximum opportunity
- The STI scheme is designed to be self-funding. On-target bonus projections are used to ensure affordability and financial measures such as earnings before interest and tax and actual profit are used to calculate the bonus provision accrual. - 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 business platform CEOs have a 70% weighting in favour of financial targets, while other prescribed officers have a 60% weighting. For the 70% financial target weighting for business platform CEOs, 50% is linked to their platform financial measures and 20% to Group financial targets. - Individual performance is also assessed against suitable objectives related to leadership, relationship, operational and risk (including safety) targets. - 70% of the award is delivered in cash and 30% in deferred forfeitable shares or conditional rights under the LTI schemes, which vests equally over three years, subject only to continued employment. - 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 for the Group chief executive.	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 or stretch performance. Performance below threshold attracts no STI payment for the specific component of the STI below threshold, where 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 in FY2016 is 200% (FY15: 150%) for the Group chief executive, 150% (FY15: 125%) for the Group financial director and between 100% and 150% (FY15: 100%) for prescribed officers depending on their job grade. Clawback provisions, as described on page 82, apply to awards made from August 2015.

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	Maximum opportunity
- Murray & Roberts operates three LTI schemes: the FSP introduced in October 2012, the Letsema Vulindlela Black Executives Trust ("Vulindlela"), which was established in December 2005 as part of the Group's BBBEE shareholding structure and the Clough Phantom Share Plan ("CPSP") introduced in 2014 following the acquisition of the minority interests in Clough. - Murray & Roberts has a historical option type plan, namely the Murray & Roberts Holdings Limited Employee Share Incentive Scheme ("Share Option Scheme"), which is currently under water and being phased out. **Forfeitable Share Plan** - Forfeitable Murray & Roberts shares are awarded subject to continued employment and satisfaction 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, the use of shares held in treasury account, the use of shares held by The Murray & Roberts Trust, or an issue of shares. The remuneration committee has the ability to cash-settle awards, if necessary, in exceptional circumstances. There is no current intention for awards to be delivered in this way.	LTI award levels, expressed as a percentage of guaranteed pay, will be made based primarily on an employee's guaranteed pay, job grade, performance, retention and attraction requirements and market benchmarks. The maximum allocation limit as a percentage of guaranteed pay is 190% for the Group chief executive, 140% for the Group financial director and between 80% and 140% for prescribed officers depending on their job grade (face value of shares at grant).

Summary of remuneration components and link to strategy continued

Long-term incentives continued

Operation	**Maximum opportunity**
n In very specific circumstances, on an ad-hoc basis, where it is necessary to retain critical talent, the remuneration committee may make awards only subject to vesting conditions with no performance conditions. These awards are aimed at retention and will not form part of the annual awards. **www.murrob.com** // a summary of the salient features of the FSP is available in the 2015 integrated report and on the Murray & Roberts website **Letsema Vulindlela Black Executives Trust** n The beneficiaries of Vulindlela are black (African, Coloured and Indian) South African citizens, who are employed on a permanent basis within the Group as top, senior and middle managers. Black prescribed officers have several outstanding allocations under Vulindela, however they have only been allocated forfeitable shares under the FSP since November 2012. **Clough Phantom Share Plan** n Clough phantom shares or conditional rights are awarded subject to continued employment and satisfaction of challenging performance conditions measured over three years, which are set by the remuneration committee before each grant. n Cliff vesting occurs at the end of the three-year period. n The phantom shares will be settled in cash or in Murray & Roberts shares at the date of vesting. The monetary value to which a Clough executive will become entitled as a result of the vesting of phantom shares will be the deemed market value of a Clough share on vesting date multiplied by the number of phantom shares to vest. n The value of the phantom shares will be equal to the deemed market value of a Clough share. The value of Clough shares will be determined as at 30 June each year based on the median price-earnings multiples of selected listed Australian peer companies against the audited financial results for Clough. n Executives will give no consideration for the award or settlement of an award. **Share Option Scheme** n The last award under the Share Option Scheme was made in July 2012 and no further awards will be made. n Outstanding awards in terms of the Share Option Scheme will continue to vest, mostly subject to the meeting of performance conditions.	For FSP allocations from August 2015, 30% of the award vests for threshold performance, rising on a straight-line scale to 100% of the award for performance at target performance. Under the CPSP, 80% of the award vests for threshold performance, rising on a straight-line scale to 100% of the award for performance at target performance. Clawback provisions, as described on page 82, apply to awards made from August 2015.

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 Company.

Operation	**Maximum opportunity**
A first move towards this was through the introduction of part deferral of STIs into forfeitable shares, where 30% of the STIs are deferred into forfeitable shares under the FSP or conditional rights under the CPSP. In a bid to further encourage executives to hold more shares, the Group chief executive is encouraged to build a shareholding, in "unfettered" shares, equivalent to at least 100% of guaranteed pay, other executive directors equivalent to 75% of guaranteed pay, and prescribed officers equivalent to 50% of guaranteed pay over a period of not more than five years. Executives are encouraged to retain at least 50% of any vested shares retained after meeting necessary tax obligations under the LTI schemes.	Not applicable.

Choice of performance measures

The table below shows the performance measures set for FY2015, and changes to be introduced for the FY2016 schemes. 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

Financial performance measures

FY2015 metric	FY2016 metric	Weighting for chief executive and financial director	Rationale
EBIT ("Earnings Before Interest and Tax")	**EBIT**	FY2015: 40% FY2016: 20%	A key indicator of the underlying profit performance of the Group, reflecting both revenues and costs.
	Continuing Diluted Headline Earnings per Share ("HEPS")	FY2015: 0% FY2016: 20%	A key indicator of the value add for shareholders.
Net Cash	**Net Cash**	FY2015: 10% FY2016: 10%	A key indicator of the Group's liquidity and ability to meet its debt requirements.
Free Cash Flow	**Free Cash Flow**	FY2015: 10% FY2016: 10%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. Free cash flow is an indication of the ability of the Group to pursue opportunities that enhance shareholder value.
ROICE	**ROICE**	FY2015: 10% FY2016: 10%	A key indicator of the effective use of shareholder capital.

Individual performance measures

FY2015 metric	FY2016 metric	Weighting for chief executive and financial director	Rationale
Leadership	**Leadership**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which strategy implementation, transformation & diversity and leadership succession & development objectives are achieved.
Relationship	**Relationship**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which stakeholder engagement and employee relations objectives are achieved.
Operational	**Operational**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which governance, commercial management and project performance objectives are achieved.
Risk	**Risk**	FY2015: 7,5% FY2016: 7,5%	A key indicator of the extent to which health, wellness & safety, risk management and environmental objectives are achieved.

LTI performance measures

FSP performance measures

Metric and weighting	Rationale	Vesting
Return on Invested Capital Employed ("ROICE") 50%	A key indicator of the effective use of shareholder capital.	For allocations prior to August 2015, 100% vesting will occur at target performance of WACC + 3%, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points. For the September 2015 allocation, 30% vests for threshold performance and 100% vests for target, where threshold performance is WACC and target performance is WACC + 4%. Linear vesting will be applied between these points.
Total Shareholder Return ("TSR") relative to a peer group of competitors 25%	TSR measures the total returns to the Group's shareholders, and provides close alignment with shareholder interests.	A peer group of South African engineering and construction companies is used to evaluate TSR. For allocations prior to August 2015, 100% vesting will occur at median peer TSR performance, with 80% vesting at threshold performance of 80% of target. Linear vesting will be applied between these points. TSR is weighted for each of the peer companies according to their market capitalisation at the beginning of the performance period. For the September 2015 allocation, 30% vests for threshold performance and 100% vests for target performance against a market cap weighted index of the peer companies. Threshold is 90% of the combined peer TSR Compound Annual Growth Rate ("CAGR") and target is the combined peer TSR CAGR plus 5%. Linear vesting will be applied between these points.
Free Cash Flow per Share ("FCFPS") 25%	A key indicator of the Group's ability to generate cash after providing for maintaining or expanding its asset base. FCFPS is an indication of the Group's ability to pursue opportunities that enhance shareholder value.	For the November 2012 and August 2013 allocations, 100% vesting will occur for a positive cumulative FCFPS over the three-year performance period. For the September 2014 and March 2015 allocations, 100% vesting will occur at target FCFPS for each of the three-years under review on a cumulative basis. 80% vesting occurs at threshold performance which is 80% of target. Linear vesting will be applied between these points. For the September 2015 allocation, 30% vests at threshold performance and 100% vests at target, where target performance is 120% of cumulative budgeted FCFPS and threshold performance is 80% of budget. Linear vesting will be applied between these points.

"LONG TERM INCENTIVES PROVIDE GENERAL ALIGNMENT BETWEEN EXECUTIVES AND SHAREHOLDERS OF THE GROUP."

CPSP performance measures

Metric and weighting	Rationale	Vesting
Return on Invested Capital Employed ("ROICE") 25%	A key indicator of the effective use of shareholder capital.	80% vests for threshold performance and 100% vests for target, where threshold performance is 80% of target and target is Clough WACC + 3%. Linear vesting will be applied between these points.
Return on Equity ("ROE") 25%	A key indicator of profitability relative to shareholders' equity.	100% vesting will occur at target performance of 17,5% through the cycle, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points.
Relative Growth in NPAT ("RGNPAT") 25%	A key indicator of relative growth in profitability, which replicates a TSR type performance measure in a non-listed company.	A peer group of Australian engineering and construction companies is used to evaluate RGNPAT. 100% vesting will occur at median peer RGNPAT performance, with 80% vesting at threshold performance which is 80% of target. Linear vesting will be applied between these points.
Free Cash Flow ("FCF") 25%	A key indicator of the Oil & Gas business platform's ability to generate cash after providing for maintaining or expanding its asset base.	100% vesting will occur at target cumulative FCF. 80% vesting occurs at threshold performance of 80% of target. 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 acting fraudulently or dishonestly or being in material breach of their obligations to the Murray & Roberts 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 or not 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 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 CPSP 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, other than the Oil & Gas business platform CEO, who has a 12 month notice period should Murray & Roberts terminate his employment, or a six month notice period should he resign. 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 within which Murray & Roberts operates.

There is 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 (other than the Oil & Gas business platform CEO) relating to a payment on termination of employment is that, where termination occurs during the first year of employment, any payment to which the individual is entitled by law will be limited to a maximum of 25% of annual Total Fixed Cost of Employment ("TFCE").

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 be classified as bad leavers and 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 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, other than the Oil & Gas business platform CEO who has a non-competition clause in his contract of employment.

Retention schemes

Retention schemes are used on an ad-hoc basis to provide select executives with retention instruments to ensure the Group is able to attract and retain highly-skilled and experienced executives. Retention schemes may be cash settled or equity settled through the use of one of the Group's LTI schemes. Where appropriate, performance conditions are applied to retention schemes.

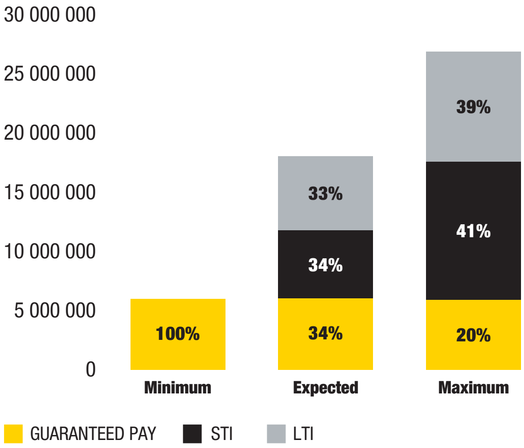
Following the acquisition of the non-controlling interests in Clough, Murray & Roberts put in place a financial retention plan for the Oil & Gas business platform CEO and select senior executives in this platform as disclosed in the 2014 remuneration report. The retention scheme for the Oil & Gas business platform CEO was structured so that payments will be made three and five years from the date of acquisition of the minority shares in Clough, i.e. in December 2016 and December 2018.

Given the changes in the oil and gas market and the Oil & Gas business platform's contribution to Group results, it was deemed prudent to review the Oil & Gas business platform CEO's retention scheme and to cancel the potential December 2018 payment and replace it with a scheme that would vest in 2020. This will be facilitated through a cash settled scheme and an additional allocation of conditional rights under the CPSP.

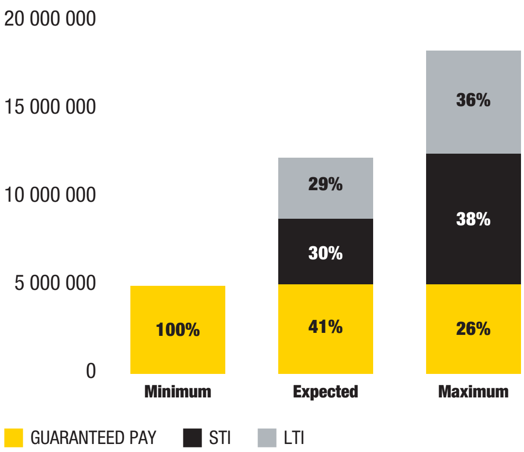
Total remuneration scenarios at different performance levels

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

GROUP CHIEF EXECUTIVE [1]
(R MILLION)



GROUP FINANCIAL DIRECTOR [1]
(R MILLION)



1 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 2015.

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 at 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 Company's policy to align fees to the upper quartile of the benchmark, in alignment with the total remuneration policy for executives and in order to ensure that suitably qualified and experienced non-executive directors are attracted to the Group.

REMUNERATION REPORT CONTINUED

Summary of non-executive director remuneration

Remuneration element and link to strategy	Operation	Maximum opportunity
Fees Director's fees are paid in order to attract and retain high-quality individuals, and to provide appropriate remuneration for the responsibility undertaken. Committee fees recognise the additional responsibilities, time and commitment required.	- The chairman is paid a single fee for all responsibilities and includes a director's fee, as well as committee membership fees. - Non-executive directors are paid a director's fee and relevant committee membership fees. - Committee chairmen are paid an additional fee to reflect their extra responsibilities. - All fee levels are reviewed and benchmarked annually and any changes are effective from 1 October following approval by shareholders. - To the extent that non-executive directors do not attend a scheduled Board or committee meeting, an amount will be deducted from their fee. - Where non-executive directors are required to attend a special Board or committee meeting, they will receive an additional fee in respect of their attendance, with the exception of the remuneration & human resources committee, where one additional special committee meeting is included in the committee fee. - A multi-currency director's fee structure is being proposed to shareholders based on the place of residence of the non-executive director, which at this time only includes a potential Australian resident non-executive director.	While there is not a maximum fee level, fees are set by reference to upper quartile market data for companies of similar size and complexity to Murray & Roberts. There is no prescribed annual increase. However, increases will normally be no more than the general level of increase in the market against which the director's fees are benchmarked. On occasions a larger increase may be awarded to align fees to the market.
Benefits are paid in order to compensate directors for expenses incurred.	- Non-executive directors are entitled to travelling and other expenses incurred in carrying out the business of the Group and attending Board and committee meetings. - Australian resident non-executive directors receive an annual travel allowance to compensate for the time spent travelling between Australia and South Africa to attend Board and committee meetings.	There are no prescribed maximum values. However guidelines are set so as to ensure consistency and to optimise the cost of travel and accommodation.
Short-term incentives and long-term incentives	- Non-executive directors do not participate in the STI or any LTI scheme and they do not receive any benefits other than those disclosed.	Not applicable.
Payments on early termination	- There are no provisions in any of the non-executive directors' appointment arrangements for compensation payable on early termination of their directorship, other than payment of accrued fees and expenses.	Not applicable.

Tenure of office

The Company's Articles of Association determine that non-executive directors are elected at the annual general meeting for a period of three years. At the end of three years non-executive directors will retire and should they be available for re-election and subject to nomination by the Board, such election will take place at the annual general meeting for a further period of three years. Retirement age for non-executive directors is 70 years.

Fee proposal for 2016

In accordance with King III the remuneration committee reviews (relative to external benchmarks) and recommends fee structures to the Board for approval (excluding recommendation on their own fees) before submitting recommendations for approval by shareholders at the annual general meeting.

An inflation-linked increase to the non-executive directors' fees is proposed for 2016. An Australian resident non-executive directors' fee structure is proposed for 2016 due to the need to attract an Australian resident non-executive director to assist the Board in overseeing the significant activities undertaken by the Group in Australia and parts of Asia.

The proposed fees are tabled below.

		Proposed per annum	Previous per annum
Director fees			
Chairman	Includes director and committee fees[1]	R1 350 000	R1 280 000
Resident Director	Per annum[2&3]	R275 000	R260 000
Non-resident Director	Per annum[2&3]	AU$100 000	–
Committee fees			
Audit & sustainability	Chairman	R255 000	R240 000
	Resident member	R136 500	R130 000
	Non-resident member	AU$10 000	
Health, safety & environment	Chairman	R185 000	R175 000
	Resident member	R95 000	R90 000
	Non-resident member	AU$10 000	–
Nomination	Member	R60 000	R55 000
Remuneration & human resources	Chairman	R185 000	R175 000
	Member	R95 000	R90 000
Risk management	Chairman	R185 000	R175 000
	Resident member	R95 000	R90 000
	Non-resident member	AU$10 000	
Social & ethics	Chairman	R185 000	R175 000
	Resident member	R95 000	R90 000
	Non-resident member	AU$10 000	–
Ad hoc meetings			
Board	Resident member	R45 000	R42 500
	Non-resident member	AU$17 000	–
Committee	Resident member	R23 000	R21 500
	Non-resident member	AU$8 900	–

1 *Includes fees for chairing the nomination committee and attending all Board committees.*
2 *Calculated on the basis of five meetings per annum.*
3 *A deduction of R23 000 or AU$8 900 per meeting will apply for non-attendance at a scheduled Board meeting.*
4 *Australian resident non-executive directors will receive an annual travel allowance of AU$25 000 to compensate for the time spent travelling to attend meetings.*

In terms of section 66(8) of the Companies Act shareholders are referred to special resolution number 1 included in the loose insert of the printed report regarding approval of the proposed non-executive director fee structure for FY2016.

ANNUAL REPORT ON REMUNERATION

This section of the remuneration report outlines the governance of remuneration and how the remuneration policy has been applied to executive directors, prescribed officers and non-executive directors.

Remuneration governance

The remuneration committee assists the Board to fulfil its corporate governance supervision responsibilities and to align the remuneration policy with the Company'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 Company and shareholders. The committee operates under terms of reference reviewed and approved annually by the Board.

Membership

Royden Vice chairs this committee. Ntombi Langa-Royds, Michael McMahon and Mahlape Sello serve as members of the committee. Subsequent to year end, Michael McMahon stepped down and Suresh Kana was appointed to the committee. The Group chief executive, Group financial director and sustainability executive attend meetings in an *ex officio* capacity. The executives who attend meetings in their *ex officio* capacity do not participate in any discussions or decisions pertaining to their own remuneration. Specialised advice is sought from time to time.

Terms of reference

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

The committee is responsible for considering and approving proposals regarding 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 has responsibility for oversight of the Group pension, provident and other benefit plans.

The functions, role and mandate of the Group chief executive are considered by the committee and his performance is assessed. Succession planning to the Group chief executive and senior executives is also considered by the committee, as well as the Group's leadership succession and development strategy and employment equity status.

The committee oversees the preparation of the remuneration report and recommends the report to the Board, ensuring that this report is accurate, complete and transparent and provides a clear explanation of how the remuneration policy has been implemented. The committee ensures that the remuneration policy is put to a non-binding advisory vote of shareholders at the annual general meeting.

Key decisions

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

- Approval of increases to the guaranteed pay component of total remuneration for the Group;
- Approval of executive director and prescribed officer guaranteed pay increases for FY2016;
- Approval of short-term incentive payments in respect of FY2015;
- Approval of long-term incentive awards and underlying performance conditions;
- Review and approval of non-executive director fees for FY2016, excluding approval of any recommendation on their own fees;
- Review and approval of changes to the remuneration policy for FY2016;
- Review and approval of retention schemes for key executives; and
- Review and approval of the Group's remuneration report for inclusion in the FY2015 annual integrated report.

Assessment

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

Remuneration outcomes for executive directors and prescribed officers

The remuneration policy for executive directors and prescribed officers that applied in FY2015 is the same as set out in the remuneration policy report, and the remuneration outcomes described below have therefore been provided in accordance with that same policy.

Single total figure of remuneration

The table opposite includes the total remuneration for the reported financial year and the previous financial year. The table includes guaranteed pay, the short-term incentive paid (including the deferred short-term incentive) 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 2015

EMPLOYEE	Guaranteed pay		STI		LTI		Benefits		Total remuneration	
	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015
Laas, Henry	5 100 000	**5 600 000**	6 655 500	**3 211 600**	–	**1 604 644**	380 000	**–**	12 135 500	**10 416 244**
Bester, Cobus	4 065 000	**4 310 000**	4 471 500	**2 264 900**	–	**1 166 138**	184 000	**–**	8 720 500	**7 741 038**
Fenn, Orrie	4 100 000	**4 260 000**	2 342 100	**2 313 700**	–	**1 007 119**	–	**–**	6 442 100	**7 580 819**
Gallagher, Kevin	12 705 252	**13 154 530**	10 476 190	**6 856 199**	–	**–**	25 751 104	**–**	48 932 546	**20 010 729**
Govender, Jerome	3 200 000	**3 400 000**	2 768 000	**1 727 600**	–	**751 725**	209 000	**–**	6 177 000	**5 879 325**
Henstock, Ian	3 165 000	**3 355 000**	2 595 300	**1 424 500**	–	**780 638**	–	**–**	5 760 300	**5 560 138**
Mdluli, Thokozani	2 100 000	**2 250 000**	1 617 000	**910 300**	–	**322 856**	–	**–**	3 717 000	**3 483 156**
Saieva, Frank	3 210 000	**3 116 667**	1 800 000	**–**	–	**–**	–	**1 142 224**	5 010 000	**4 258 891**
Skudder, Andrew	2 950 000	**3 150 000**	2 478 000	**1 337 500**	–	**689 081**	–	**–**	5 428 000	**5 176 581**

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

2014	2015
Guaranteed pay	
Guaranteed pay earned for the period including benefits and retirement fund contributions.	Guaranteed pay earned for the period including benefits and retirement fund contributions.
The average remuneration adjustment for executive directors and prescribed officers for FY2015 (effective 1 July 2014) was 6,4% (FY14: 10%). The total adjustment was aligned to the average Murray & Roberts increase awarded in March 2014 for other salaried employees of 6,5%. It included an adjustment for certain executives to better align guaranteed pay to median guaranteed pay using appropriate national and peer company benchmarks.	The average remuneration adjustment for executive directors and prescribed officers for FY2016 (effective 1 July 2015) was 5,2% (FY14: 6,4%). The total adjustment is aligned to the average Murray & Roberts increase awarded in March 2015 for other salaried employees of 5,8%. Kevin Gallagher elected not to take a salary increase due to the depressed Australian economy and international oil and gas market.
STI	
STI awarded for FY2014 performance. 80% (70% for Kevin Gallagher) of the award was provided in cash in September 2014, and 20% (30% for Kevin Gallagher) deferred as an LTI award, which will vest 1/3 each year from FY2015 to FY2017.	STI awarded for FY2015 performance. 70% of the award is payable in cash in September 2015, and 30% deferred as an LTI award, which will vest 1/3 each year from FY2016 to FY2018.
LTI	
No LTIs vested for performance to 30 June 2014.	The value of LTI awards under the November 2012 FSP that will vest on 28 November 2015, based on performance during the three-year period to 30 June 2015. The value of that award is based on a share price on 30 June 2015 of R12.85. 25% of the November 2012 FSP awards lapsed due to non-achievement of the TSR performance condition. The August 2011 retention Share Options Scheme allocation that vested on 31 August 2014 carried no value as at 30 June 2015 as the share price was below the strike price for this allocation. No LTIs vested under the CPSP for performance to 30 June 2015.
Benefits	
Excess accumulated leave paid out to Henry Laas, Cobus Bester and Jerome Govender due to change in the leave policy. The payment to Kevin Gallagher relates to LTIs that vested under the old Clough LTI scheme due to the change of control provisions and a contractual material diminution payment, both of which arose through the acquisition of the Clough non-controlling interests in December 2013. These payments are considered to be once off.	The payment to Frank Saieva relates to accumulated leave and three month's pay in lieu of notice, following his resignation on 29 May 2015.

REMUNERATION REPORT CONTINUED

FY2015 STI performance outcomes

Financial performance Key Performance Indicators ("KPIs") are measured against audited annual financial performance and are net of bonus accruals. Individual performance KPIs are based on a formal performance and development evaluation conducted by the Group chief executive for the executives and by the remuneration committee for the Group chief executive.

Performance against the FY2015 Group targets are summarised below, where the outcome represents the overall Group performance expressed as a percentage achievement against target for the specific KPI.

EVALUATION KEY:

PERFORMANCE BETWEEN TARGET AND STRETCH | PERFORMANCE BETWEEN THRESHOLD AND TARGET | PERFORMANCE BELOW THRESHOLD

KPA	KPI	Weighting	Outcome	Comments
FINANCIAL	Profitability	40%	80%	EBIT of R1,125 million achieved relative to target of R1,400 million for continuing operations.
	Cash flow – net cash	10%	165%	Net cash of R1,413 million achieved relative to target of R856 million. 165% performance is capped at 120% for STI calculation.
	Cash flow – free cash flow	10%	23%	Free cash flow of R177 million relative to target of R767 million. Performance of less than 80% compared to target attracts no STI payment for the element.
	Returns	10%	81%	ROICE of 12,7% achieved relative to WACC plus 3% or 15,7%.
LEADERSHIP	Strategy implementation	7,5%	90%	Progress made on increasing focus on international natural resource market sectors and diversifying the Group's business model.
	Transformation & diversity			In general, due to a stagnant business environment, transformation in South Africa has not accelerated, however there are pockets of solid performance. Group BBBEE rating met target of Level 2.
	Leadership succession & development			Performance management and succession planning is well established at executive level, however bench strength could be stronger. Clough's bench strength improved through three senior appointments. Rollout of leadership and project management programmes was satisfactory.
RELATIONSHIP	Stakeholder engagement	7,5%	80%	Relations with most stakeholders are strong, however relationship between the South African Government and the construction industry could be improved.
	Employee relations			Slow progress made in developing employee relations plans to mitigate the increased level of labour unrest in South Africa. The South African operations improved their rating in terms of the Deloitte Best Company to Work For Survey and Cementation Canada is again rated as a Top 100 employer in Canada.

KPA	KPI	Weighting / Outcome	Comments
OPERATIONAL	Good governance	Weighting **7,5%** Outcome **80%**	The Group continues to implement good governance practices with a focus on legal compliance and King III application.
	Commercial management		Good progress made on the Gautrain and Dubai International Airport claims resolution, particularly with respect to the positive arbitration award on Gautrain. Positive outcomes on Oil & Gas platforms Ichthys and Wheatstone uncertified revenue positions. Ongoing improvement in contract management and lessons learnt practices across most operations.
	Project performance		It was disappointing that we incurred losses on some projects, however the quantum of these losses has steadily declined over the past four years. The project management development programme continues to be implemented but levels of participation are not yet satisfactory.
RISK	Health, wellness & safety	Weighting **7,5%** Outcome **60%**	Regrettably four employees lost their lives through work-related incidents. The LTIFR (0.79) rate was on target, with TRCR (4.26) above target. Both are however industry leading performances. There is continued focus on improving lead indicators with a total of 82,455 VFLs conducted.
	Risk management		There has been a continued improvement in risk management practices across the Group and internal audit is a well-established discipline and no material findings were reported.
	Environment		Environmental reporting and awareness has improved and no major environmental incidents were reported.

FY2015 LTI performance outcomes

Vesting of the 2012 FSP award

The three-year performance period for the November 2012 FSP award ended on 30 June 2015. The FY2012 FSP award comprised 2 927 000 awards as at 30 June 2015, with 656 000 awards to the executive directors and prescribed officers. Half of the award was based on ROICE performance, 25% on relative TSR performance and 25% on FCFPS. ROICE for the three year performance period was 19,9%, above the target of 15,6%, being WACC plus 3%. The Group's TSR over the performance period was disappointing at a negative compound rate of 17,2%, below threshold. Cumulative free cash flow was above the cash positive target with a positive free cash flow of 79 cents per share. As a result of this performance, 75% of the FY2012 FSP award will vest on 28 November 2015, subject to the continued employment of the executives to that date. The 25% of the award that did not meet the TSR performance condition lapsed on 25 August 2015. All FSP allocations awarded to Frank Saieva lapsed on his resignation.

Vesting and expiry of Share Option Scheme awards

The August 2011 Share Option Scheme included an allocation of retention share options and performance share options. The retention share options, which have a strike price of R25,24 per share, vested on 31 August 2014 and will expire on 30 August 2017. The performance share options were subject to a target performance condition of growth in the budgeted 2012 fully diluted HEPS for continuing operations of annual CPI + 5% cumulatively over the FY2012, FY2013 and FY2014 performance period. The actual HEPS for FY2014 of 205 cents per share, was below the threshold of 297 cents, resulting in the forfeiture of all the performance share options allocated.

The remaining July 2008 and August 2008 share option allocations under the historical Share Option Scheme expired on 1 July 2014 and 26 August 2014 respectively as the share price was below the respective strike prices of these share options.

REMUNERATION REPORT CONTINUED

LTI awards granted in 2015

An allocation of forfeitable shares was made in March 2015 and in September 2015 under the FSP.

The March 2015 FSP award was a retention award for select executives including the executive directors and prescribed officers and will vest on 1 March 2018. A total number of 857 000 forfeitable shares were allocated, of which 507 000 forfeitable shares to the value of R9,7 million were allocated to the executive directors and prescribed officers. The vesting of the award is subject to meeting the following performance conditions for the three-year performance period from 1 July 2014 to 30 June 2017:

March 2015 FSP award

Criteria	Performance condition	Target	Weighting
ROICE	Average Return on Invested Capital Employed over the performance period	WACC plus 3% over the period	50%
TSR	Relative Total Shareholder Return over the performance period	100% relative to peers	25%
FCFPS	Free Cash Flow per Share generated over performance period	Cumulative forecast cash flow over the period	25%

Threshold for the March 2015 award is set at 80% of the above target, with 80% of the award vesting at threshold performance and 100% for on-target performance, with commensurate linear vesting between these points, with no vesting for below threshold performance.

The September 2015 FSP is the annual allocation of forfeitable shares to senior executives including the executive directors and prescribed officers and will vest on 1 September 2018. A total number of 8 332 000 forfeitable shares were allocated, of which 2 444 500 forfeitable shares to the value of R30,7 million were allocated to the executive directors and prescribed officers. The allocation took job grade, individual performance and retention risk into consideration. For affordability reasons, the allocations were 15% less than the allocation levels outlined in the remuneration policy. The executives will give no consideration for the award or settlement of the award.

The vesting of the September 2015 FSP award is subject to meeting performance conditions for the three year performance period from 1 July 2015 to 30 June 2018 as shown in the table below.

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

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

Settlement of the March 2015 FSP award was by way of a market purchase and the September 2015 FSP award was settled through a market purchase and use of the shares that lapsed under the November 2012 FSP award, thereby not resulting in any dilution to shareholders.

The aggregate number of shares at any one time which may be allocated under the Share Option Scheme and the FSP will currently not exceed 22 236 806 shares. This represents 5,0% of the number of shares currently in issue. As at 30 June 2015 there were 6 656 920 shares allocated under the Share Option Scheme and 9 877 231 shares under the FSP, which is less than the aggregate cap. This includes FSP awards under the STI deferral. It should however be noted that these shares were not allocated by way of an issue of shares and as such are not dilutive.

The maximum number of shares allocated to any participant in respect of all unvested awards under the FSP and the Share Option Scheme, will not exceed 2 223 681 shares. This represents 0,5% of the number of shares currently in issue. As at 30 June 2015, the Group chief executive had the highest number of unvested awards at 848 386 awards, representing 0,19% of the shares currently in issue, less than the cap.

September 2015 FSP award performance conditions

Criteria	Performance condition	Weighting	Threshold	Target for maximum vesting
ROICE	Average Return on Invested Capital Employed over the performance period	50%	WACC	WACC plus 4%
TSR	Relative Total Shareholder Return over the performance period	25%	Combined peer TSR CAGR x 90%	Combined peer TSR CAGR + 5%
FCFPS	Free Cash Flow per Share generated over performance period	25%	80% of Budgeted FCF	120% of Budgeted FCF

An allocation of Conditional Rights under the CPSP will be made on 1 October 2015, to the value of AU$4.1 million to 39 executives, of which AU$2.6 million is allocated to the Clough executive officers including the Clough CEO. The allocation took job grade, individual performance and retention risk into consideration.

The vesting of the October 2015 CPSP award is subject to meeting performance conditions for the three year performance period from 1 July 2015 to 30 June 2018 as shown in the table below.

Eighty percent 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. The remuneration committee considers the performance targets to be stretching in the context of the Oil & Gas business platform strategy and the market conditions.

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

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

The phantom shares will be settled in cash at the date of vesting. The monetary value to which a Clough executive will become entitled as a result of the vesting of phantom shares will be the deemed market value of a Clough share on vesting date multiplied by the number of phantom shares to vest. The executives will give no consideration for the award or settlement of an award.

2 013 500 shares were allocated under Vulindlela on 1 September 2015 to 127 executives. No shares under Vulindlela were allocated to executive directors and prescribed officers. The objective of Vulindlela is to provide black executives the opportunity to become shareholders in Murray & Roberts and as an attraction and retention incentive. In addition, Vulindlela aims to align the interests of black executives with those of the shareholders. The beneficiaries of Vulindlela are black (African, Coloured and Indian) South African citizens, who are employed on a permanent basis within the Group as top, senior and middle managers. Allocations are based on management band, performance and potential of the individual and the number of shares allocated was determined with reference to the face value of shares to be allocated relative to the employee's guaranteed pay. Black executives who are top or senior executives as members of operating company executive committees were allocated shares under the FSP.

October 2015 CPSP award performance conditions

Criteria	Performance condition	Target	Weighting
ROICE	Clough's Average Return on Invested Capital Employed	Clough WACC + 3%	25%
ROE	Clough's Average Return on Equity	17,5% through the cycle	25%
RGNPAT	Clough's Relative Growth in Net Profit After Tax	100% relative to peers	25%
FCF	Clough's Free Cash Flow generated	Budget for performance period	25%

Remuneration outcomes for non-executive directors

The remuneration policy for the non-executive directors set out in the remuneration policy report applied in FY2015, other than the proposed introduction of a multi-currency director's fee structure and travel allowance for the proposed Australian resident non-executive director. The remuneration of non-executive directors for the year ended 30 June 2015 was:

Non-executive director's remuneration

	Directors' fees R'000	Non-attendance R'000	Special board R'000	Committee fees R'000	Chairman's fee R'000	**Total 2015 R'000**	Total 2014 R'000
DD Barber	255	–	40	323	–	**618**	562
TCP Chikane[1]	–	–	–	–	–	**–**	66
R Havenstein[2]	235	–	40	204	–	**479**	–
NB Langa Royds	255	–	40	278	–	**573**	569
JM McMahon	255	–	40	526	–	**821**	767
WA Nairn[3]	125	–	40	166	–	**331**	549
M Sello	–	–	–	–	1 253	**1 253**	1 151
RT Vice	255	–	40	454	–	**749**	715
	1 380	–	240	1 951	1 253	**4 824**	4 379

1 *Resigned on 20 August 2013.*
2 *Appointed 1 August 2014.*
3 *Retired on 1 January 2015.*

DETAILED GROUP DIRECTORATE

NON-EXECUTIVE DIRECTORS

MAHLAPE SELLO
INDEPENDENT NON-EXECUTIVE DIRECTOR
Master of Arts in Law, LLB

Mahlape was appointed to the Board in 2009 and became chairman in 2013. She is chairman of the nomination committee and a member of the social & ethics, health, safety & environment and the remuneration & human resources committees. She is also a trustee of The Murray & Roberts Trust. Mahlape is an Advocate of the High Court of South Africa and member of the Johannesburg Society of Advocates. She is member of the South African Law Reform Commission and the chairperson of the Advertising Industry Tribunal of the Advertising Standards Authority of South Africa.

DAVID (DAVE) DUNCAN BARBER
INDEPENDENT NON-EXECUTIVE DIRECTOR
FCA, AMP

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

RALPH HAVENSTEIN
INDEPENDENT NON-EXECUTIVE DIRECTOR
BCom, MSc Chem Eng

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

SURESH PARBHOO KANA
INDEPENDENT NON-EXECUTIVE DIRECTOR
MCom, CA(SA)

Suresh was appointed to the Board in July 2015 and is a member of the audit & sustainability, remuneration & human resources and risk management committees. He is also trustee of the Murray & Roberts Trust. Suresh is a Chartered Accountant and retired as the Territory Senior Partner for PricewaterhouseCoopers Africa in June 2015. He has held a number of senior positions in PricewaterhouseCoopers since joining as an articled clerk in 1976. He is a member of the King Committee on Governance in South Africa and was the Chairman of SAICA. He currently serves as a non-executive director of the JSE Limited, Imperial Holdings Ltd and Illovo Sugar Ltd.

EXECUTIVE DIRECTORS

ANDRIES JACOBUS (COBUS) BESTER
GROUP FINANCIAL DIRECTOR
BCom (Acc) Hons, CA(SA)

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

HENRY JOHANNES LAAS
GROUP CHIEF EXECUTIVE
BEng (Mining), MBA

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

XOLANI HUMPHREY MKHWANAZI

INDEPENDENT NON-EXECUTIVE DIRECTOR

MSc PhD (Applied Physics)

Xolani joined the Board in August 2015 and is a member of the risk management and health, safety and environment committees. Xolani is a physicist with an MSc and PhD in Applied Physics from the University of Lancaster (UK) and has completed an Executive Development Programme at the University of the Witwatersrand, in partnership with Harvard University. He is currently a non-executive director of South 32 Limited. Xolani has experience in the power, engineering and mining sectors, and was chairman of BHP Billiton's South African Operations, having joined BHP after establishing Bateman Africa as the first BBBEE engineering company. Prior to that, Xolani played an important role in the restructuring of the electricity supply industry in South Africa, heading up the National Electricity Regulator. He has also worked at the CSIR, the Atomic Energy Corporation and spent time as a physics researcher in Australia.

NOMALIZO (NTOMBI) BERYL LANGA-ROYDS

INDEPENDENT NON-EXECUTIVE DIRECTOR

BA (Law), LLB

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

JOHN MICHAEL MCMAHON

INDEPENDENT NON-EXECUTIVE DIRECTOR

PrEng, BSc Eng

Michael was appointed to the Board in 2004. He is the chairman of the risk management committee, and a member of the nomination and the audit & sustainability committees. He was formerly the chairman of Central Rand Gold, Gencor and Impala Platinum Holdings, and a director of Gold Fields. Michael was a project manager at Murray & Roberts during the 70s.

ROYDEN THOMAS VICE

INDEPENDENT NON-EXECUTIVE DIRECTOR

BCom, CA(SA)

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

LAMBERTUS (BERT) KOK

GROUP SECRETARY

FCIS, FCIBM

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

NON-EXECUTIVE DIRECTOR
EXECUTIVE DIRECTOR
GROUP SECRETARY