

The image shows a large, complex offshore oil rig structure, likely a jack-up platform, illuminated with warm yellow lights. The rig is set against a dramatic sky at sunset or sunrise, with soft orange and blue tones. The sea is visible in the foreground, and a small support vessel is seen in the distance. The overall scene conveys a sense of industrial scale and engineering precision.

**Murray
& Roberts**

ENGINEERED EXCELLENCE

BOARD
COMMITTEE
REPORTS 2017

BOARD COMMITTEE REPORTS

- 02** Health, safety & environment committee
- 03** Nomination committee
- 04** Risk management committee
- 05** Social & ethics committee
- 06** Record of attendance



HEALTH, SAFETY & ENVIRONMENT COMMITTEE

THE HEALTH, SAFETY & ENVIRONMENT (“HSE”) COMMITTEE ASSISTS THE BOARD TO FULFIL ITS SUPERVISORY ROLE RELATING TO THE INTEGRATION OF SOUND HSE MANAGEMENT INTO ALL ASPECTS OF THE GROUP'S BUSINESS ACTIVITIES.

The HSE committee encourages and supports the Group to strive for a healthier and safer environment for all of its employees, subcontractors and the communities in which it conducts its business.

It ensures that the Group commits to best practice in health, safety and protection of the environment and public against hazards and aspects associated with its activities; and to meet relevant regulatory requirements with an aim to operate at even higher standards than those imposed by the relevant safety, health and environmental laws.

MEMBERSHIP



Disclosed under the Group directorate in the Integrated Report.

TERMS OF REFERENCE

The committee's responsibilities include:

- Approving the framework, policies, standards and guidelines for HSE management;
- Satisfying itself that management has developed and implemented a Group-based HSE management system consistent with best practices and that effective programmes have been put in place to monitor the implementation of policies and standards across the Group;

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

ACTIVITIES DURING THE YEAR

The committee continued to assist the board in fulfilling its oversight responsibility on HSE matters by closely monitoring prevailing trends and providing constructive challenge to management in its quest to achieve safe, healthy and environmental friendly operations. This included in-depth review of the company's HSE performance and risk management plans, and providing guidance to executive management on actions to enhance performance. Significant HSE incidents and developing trends in HSE performance were reviewed at every meeting of the committee.

In FY2017, one employee was fatally injured in a work-related incident at group operations. The committee thoroughly reviewed all necessary investigation reports on this incident and confirmed that management took all necessary steps to prevent re-occurrence of similar incidents.

The company continued to make advances in its safety programme with record performance in a number of areas, including an all-time low lost time injury frequency rate (“LTIFR”) of 0.52 and a significant reduction in high potential incidents. Similarly good progress has been made in the area of health and wellness and environmental management. The committee is encouraged by these developments which confirm the effectiveness of the company's HSE framework and systems.

During the reporting period, members of the committee conducted one site visit in South Africa to engage with employees and obtain first-hand experience on HSE matters. Following this visit, committee members shared their observations and suggestions with management and the board.

In the coming year the committee will continue with its efforts to support management's actions to safeguard safety of employees and stakeholders as well as the protection of the environment.

NOMINATION COMMITTEE

THE NOMINATION COMMITTEE ENSURES THAT THE STRUCTURE, SIZE, COMPOSITION AND EFFECTIVENESS OF THE BOARD AND ITS COMMITTEES ARE MAINTAINED AT LEVELS THAT ARE APPROPRIATE TO THE GROUP'S COMPLEXITY AND STRATEGY.

It does so by regularly evaluating the Board's performance, undertaking performance appraisals of the directors, evaluating the effectiveness of committees and making related recommendations to the Board. The Board is responsible for evaluating the performance of the Group chairman. The committee operates under a terms of reference which was approved by the Board.

MEMBERSHIP



Disclosed under the Group directorate in the Integrated Report.

BOARD & COMMITTEE APPRAISAL

An external appraisal by The Board Practice on the effectiveness of the Board was conducted during the year. The overall feedback was positive with respect to the work of the Board and the Board is well functioning and professional. Matters raised for consideration by the Board include:

- CEO and senior executive succession;
- Performance management; and
- Consolidation of certain Board committees.

SUCCESSION

Succession planning, taking Group strategy, BBBEE requirements and future retirements from the Board into account, has been ongoing. The committee takes cognisance of the importance of institutional knowledge to the Board and the need to balance this with introducing new capacity.

PERFORMANCE AND RE-ELECTION

Mahlape Sello, Dave Barber, Suresh Kana, Xolani Mkhwanazi and Henry Laas retire by rotation at the 2017 annual general meeting. Mahlape Sello and Dave Barber have indicated that they will not be available for re-election. The committee reviewed the performance of the retiring directors and recommends their re-election to the Board.

After the financial year end, Alex Maditsi, Emma Mashilwane and Diane Radley were appointed to the Board on 23 August 2017. Suresh Kana has been elected to succeed Mahlape Sello as Chairman of the Group, at the conclusion of the annual general meeting to be held on 2 November 2017.

INDEPENDENCE OF NON-EXECUTIVE DIRECTORS

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

AUDIT & SUSTAINABILITY COMMITTEE

Following a recommendation by the committee, the Board approved the election of Emma Mashilwane and Diane Radley as new members of the audit & sustainability committee. The committee considered whether the current members (individually/collectively) of the audit & sustainability committee satisfy the requirements of the Companies Act and King IV. Following this, it is recommended that the election of the members of the audit & sustainability committee be approved by the shareholders at the annual general meeting. The members of the audit & sustainability committee will serve for a one-year term, concluding at the FY2018 annual general meeting.

RISK MANAGEMENT COMMITTEE

**THE RISK MANAGEMENT
COMMITTEE ASSISTS
THE BOARD TO FULFIL
ITS GOVERNANCE
RESPONSIBILITIES IN
TERMS OF THE GROUP
INTEGRATED ASSURANCE
FRAMEWORK.**

The committee operates under a terms of reference approved by the Board, which is reviewed annually and amended as is necessary so that the mandate of the committee remains appropriate and relevant.

MEMBERSHIP



Disclosed under the Group directorate in the Integrated Report.

RISK MANAGEMENT

The role of the committee is to assist the Board to ensure that:

- The Group has an effective policy and plan for risk management in place, which is constantly monitored, with appropriate organisational structures, systems, controls and processes in place, that together enhance the Group's ability to achieve its strategic objectives; and
- All significant risk exposures are identified in a timely manner and clearly understood by management, that mitigation responses are appropriate and effectively and efficiently implemented to preserve and promote stakeholder interests, and that disclosure regarding risk is comprehensive, timely and relevant.

Further details are disclosed in the risk management report contained in the Integrated Report.

SOCIAL & ETHICS COMMITTEE

THE SOCIAL & ETHICS COMMITTEE ASSISTS THE BOARD TO FULFIL ITS GOVERNANCE RESPONSIBILITIES IN RELATION TO THE GROUP'S COMMITMENT TO ZERO HARM FROM ITS BUSINESS ACTIVITIES,

to comply with laws, rules, codes and standards as a good corporate citizen, and to its shareholders, employees, customers, business partners and society in general as a responsible corporate citizen. It also monitors the Group's ethical practices. The committee operates under a terms of reference approved by the Board.

MEMBERSHIP



Disclosed under the Group directorate in the Integrated Report.

TERMS OF REFERENCE

The committee's responsibilities include:

- Overseeing the Group's implementation of and compliance with sound principles of governance, including the principles set out in King III, and to prepare for meeting the requirements of King IV;
- Overseeing the Group's social and ethics strategy and structures;
- Ensuring that social and ethics standards and procedures are in place and are effective;
- Assessing and measuring social and ethics performance with reference to the United Nations Global Compact Principles, the OECD Guidelines for Multinational Enterprises, the Broad Based Black Economic Empowerment (BBBEE) scorecard, and International Labour Organisation protocols;
- Overseeing Group-wide compliance with laws, rules, codes and standards;
- Understanding all significant regulatory developments and changes in social and ethics management, and ensuring Group responses are appropriate and timely;
- Consulting and communicating on social and ethics issues with internal and external stakeholders; and
- Reporting annually on social and ethics issues at the annual general meeting.

SOCIAL & ETHICS MATTERS

Worldwide: The Group promotes a culture of ethical values, standards and practices in all areas and aspects of its business operations. The Group's published Values and the Statement of Business Principles effectively establish the Group's ethics framework, which are contained in a Group Code of Conduct. The code has become the standard bearer of the moral and ethical culture of the Group, and is actively applied and enforced across the Group, including amongst supplier and subcontractor groupings.

The Committee has oversight of the Group's Community Development Programme ("CDP") which prioritises education and skills development, mainly in host communities. During the reporting period, the Committee reviewed management reports on ethics, compliance and community development initiatives, conducted community field visits and advised management on improvement actions.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

In South Africa, Murray & Roberts supports the BBBEE programme aimed at social and economic development of previously disadvantaged communities and individuals. The Group achieved a level 3 BBBEE contributor status as independently verified by Empowerlogic, based on the Amended Codes of Good Practice for Broad Based Black Economic Empowerment.

Whilst this rating represents progress in a number of key measures, performance on management control and employment equity did not meet expectations. Various improvement actions have been taken by management, including the appointment of an independent organisation that is far advanced in its mandate in carrying out a comprehensive assessment of the state of transformation and employment equity within the Group's South African operations, and make improvement recommendations.

SUSTAINABILITY REPORT

Refer to the sustainability report published online on www.murrob.com for further detail on social initiatives undertaken within the Group.

RECORD OF ATTENDANCE

NAME OF DIRECTOR	BOARD										
	Meeting						Special				
M Sello	√	√	√	√	√	√	√	√	√	√	√
DD Barber	√	√	√	√	√	√	√	X	X	√	√
AJ Bester	√	√	√	√	-	-	√	√	X	√	-
DG Grobler	-	-	-	-	√	√	-	-	-	-	√
R Havenstein	X	√	√	√	√	√	√	√	√	√	√
SP Kana	√	√	√	√	√	√	√	√	√	√	√
HJ Laas	√	√	√	√	√	√	√	√	√	√	√
NB Langa-Royds	√	√	√	√	√	√	√	√	√	√	√
JM McMahan	√	√	-	-	-	-	X	-	-	-	-
XH Mkhwanazi	X	√	√	√	√	√	X	√	X	√	√
KW Spence	√	√	√	X	√	√	√	√	√	√	√
RT Vice	√	√	√	-	-	-	√	√	X	√	-

NAME OF DIRECTOR	AUDIT				RISK				REMUNERATION				
	Meeting				Meeting				Meeting				
M Sello									√	√	√	√	√
DD Barber	√	√	√	√	√	√	√	√					
AJ Bester													
DG Grobler													
R Havenstein					-	-	-	-	-	-	-	√	√
SP Kana	√	√	√	√	√	√	√	√	√	√	√	√	√
HJ Laas													
NB Langa-Royds						√	√	√	√	√	√	√	√
JM McMahan	√	√	-	-	√								
XH Mkhwanazi					√	√	√	√					
KW Spence	√	√	X	√	√	√	X	√					
RT Vice	√	√	-	-	√	√	-	-	√	√	√	-	-

NAME OF DIRECTOR	NOMINATION				HEALTH, SAFETY & ENVIRONMENT				SOCIAL & ETHICS		
	Meeting				Meeting				Meeting		
M Sello	√	√	√	√	√	√	√	√	√	√	√
DD Barber											
AJ Bester											
DG Grobler											
R Havenstein	-	-	√	√	√	√	√	√	√	√	√
SP Kana	-	-	√	√							
HJ Laas					√	√	√	√			
NB Langa-Royds									√	√	√
JM McMahan	√	√	-	-							
XH Mkhwanazi					√	√	√	√			
KW Spence					√	√	X	√			
RT Vice	√	√	-	-							



THE WHEATSTONE PROJECT, WESTERN AUSTRALIA

The Chevron-operated Wheatstone Project is one of Australia's largest resource developments and is located west of Onslow on the Pilbara coast of Western Australia. The Wheatstone platform is one of the biggest offshore gas-processing platforms ever installed in Australia, with a topside weight of approximately 37,000 metric tonnes. Clough, part of the Murray & Roberts Oil & Gas business platform, provided its client, Chevron Australia with an independent team to assist with pre-commissioning, commissioning of integrated float over deck systems, offshore hook-up, and start-up assistance on the project.