

ROBUST

SEPTEMBER 2018

MURRAY & ROBERTS GROUP MAGAZINE

BEGIN THE JOURNEY WITH THE END IN MIND

BUSINESS PLATFORMS

Clough EPC Contract at BHP South Flank Project

Cementation Americas celebrates 20 years of success

Water Resource Recovery Demonstration Facility opens at Verulam

CORPORATE CITIZENSHIP

Letsema Khanyisa Bursary Scheme enables dreams

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A MESSAGE FROM HENRY

WELCOME TO THE SEPTEMBER 2018 EDITION OF ROBUST MAGAZINE

The first half of the 2018 calendar year has been a busy period for the Group. We conducted a review of our strategy, conceptualised in 2014 and was deeply involved in two significant corporate transactions, one of which is still ongoing today. I discuss these events in the feature article of the magazine.

The principle of *Engineered Excellence* is one of the foundations of our decision making, ensuring that we achieve an outcome of “excellence” in everything that we do. RUC Cementation Mining has pioneered a digitalisation strategy, bringing certainty underground with digital solutions and competitive differentiation, an example of excellence in innovation. Further demonstrating excellence, is the Murray & Roberts Group Internal Audit team, which was recently awarded the highest quality excellence rating in their first assessment.

Also in this edition of Robust Magazine, our business platforms continue to add value to the communities in which they operate. Clough awarded bursaries to two of Western Australia’s brightest students and the Letsema Khanyisa bursary, offered to qualifying employees of Murray & Roberts within South Africa, impacted positively on the families of our employees.

I would like to extend a welcome to Mike da Costa and Trevor Naidoo who join the Murray & Roberts Corporate office. They will lead the Underground Mining platform in the role of platform CEO and CFO respectively, after Orrie Fenn’s retirement at the end of July. Orrie served for almost a decade on the Murray & Roberts Limited Board and was instrumental in guiding the Underground Mining platform in becoming a significant part of the Murray & Roberts Group. I’d like to take this opportunity to thank Orrie for his service and valuable contribution and further congratulate Mike and Trevor on their appointments.

I hope you enjoy reading this edition of Robust.

HENRY



HENRY LAAS
GROUP CHIEF EXECUTIVE



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FEATURE

BEGIN THE JOURNEY WITH THE GOAL IN MIND

The Group's *New Strategic Future*, which the Board approved in 2014, has by design brought about a significant change in Murray & Roberts, from a predominantly South African civil and building contractor, to a multinational engineering and construction Group focused on the natural resources market sectors.

The *New Strategic Future* plan was designed with two phases in mind:

- optimise the Group's portfolio of businesses; and
- position the Group for sustainable growth and value creation, based on the positive long-term demand drivers for natural resources.

This is the first financial year of a fundamentally redesigned Murray & Roberts. Earlier this year, we commissioned an independent assessment of the *New Strategic Future* plan by the Boston Consultancy Group, a global management consulting firm, to confirm the long-term viability of the Group's strategic direction. The review confirmed the relevance of this plan and clarified the growth priorities for our business platforms, in support of our market leadership and performance aspirations as captured in the Group's Vision.

Another feature of repositioning the Group over the last six years, has been the attention we have given to *Engineered Excellence*. While the excellence we strive for in every aspect of the business is fundamental to our competitiveness and reputation, it also supports the quality of the Group's earnings and ultimately investment returns.

The progress made over several years in de-risking the Group, defining its business model and optimising its portfolio of businesses, has allowed our focus to now shift towards enhancement of the strategic positioning and earnings potential of our three business platforms for the longer term. Whereas their primary focus is to achieve this within their respective core natural resources market sectors, the reality of market volatility and slower-than-expected recovery in some of these markets make it necessary to maintain strategic flexibility by also pursuing opportunities on a selective basis in complementary markets. The portfolio alignment of the last few years, culminating in the



disposal of the Infrastructure & Building platform in the previous financial year and our last remaining non-core asset, the steel manufacturer Genrec, during this year, will serve the Group well.

The final legacy matter that we are attending to – the closure of the business in the Middle East - is progressing according to plan. The arbitration ruling of the Dubai International Airport claim that has been in dispute for the past ten years, however, has been delayed to November 2018. We remain hopeful that resolution of this claim will realise value in FY2019.

OFFER TO ACQUIRE MURRAY & ROBERTS BY ATON GMBH ("ATON")

A significant event that emerged during the financial year, is the initiative by ATON to obtain control of Murray & Roberts, through its formal offer to our other shareholders to acquire all their shares in Murray & Roberts. ATON made an initial voluntary offer of R15 per share in April 2018. An independent committee of our Board, constituted to respond to the ATON offer ("Independent Board"),



recommended that shareholders reject this offer as it was below the fair price range for control of R20 to R22 per share, as determined by the Independent Board.

ATON have since increased their investment in the Group to about 44% from about 30%, triggering a regulatory requirement to make a mandatory offer (a mandatory offer is triggered at 35%) to all shareholders. This offer was made on 2 July 2018 at R17 per share. The offer remains open to shareholders for acceptance, for 10 days after the offer is declared unconditional in all respects.

This offer remains below the fair price range and it is the Independent Board's duty to advise shareholders accordingly. It is important that our shareholders understand the value inherent in the Group, based on the current strategy.

It is regrettable, that due to the current misalignment between managements' strategic aspirations and ATON's objectives with

its investment in Murray & Roberts, that the Group's options in the acquisitions it can realistically pursue and the repurchase of Murray & Roberts shares have been restricted, which has impacted the Group's longer-term strategic positioning. That said, Group leadership remains open to engage with ATON to clarify their intentions with Murray & Roberts and to seek alignment on the Group's strategic direction.

POTENTIAL TRANSACTION WITH AVENG

Another noteworthy event to mention was the potential combination of Murray & Roberts and Aveng, which the Group announced in May 2018. The proposed combination of Murray & Roberts' Oil & Gas and Underground Mining platforms with Aveng's McConnell Dowell and Moolmans businesses was compelling and would have established Murray & Roberts as a much larger multinational engineering and construction group.

After a time intensive process of obtaining the requisite approvals from the Takeover Regulation Panel and our shareholders to further develop this transaction, ultimately, the Takeover Special Committee overturned the Takeover Regulation Panel approval and ruled that Murray & Roberts may not develop the potential transaction, whilst the ATON mandatory offer remains in place.

As part of Aveng's recent rights offer, ATON acquired an approximate 25% stake in Aveng, thereby establishing negative control of Aveng. ATON was not supportive of the potential transaction between Murray & Roberts and Aveng, and with its shareholding in Aveng it would have blocked this transaction.

Due to the developments outlined above, the Murray & Roberts Board withdrew from the potential Aveng transaction earlier in August 2018.

ACCELERATING ACQUISITIVE GROWTH

The need to accelerate our acquisitive growth strategy, which includes all the platforms, requires executive capacity, specifically at Group level, to provide support in identifying and assessing prospects and negotiating transactions.

The planned acquisition of a US-based EPC contractor in the oil and gas sector will give the Oil & Gas platform the ability to deliver projects to a rapidly growing market in the United States.

The Power & Water platform is targeting transmission line projects in sub-Saharan Africa, with its joint-venture partners being potential targets for bolt-on acquisitions. A possible bolt-on acquisition in South Africa to strengthen its repairs and maintenance service offering to Eskom is under investigation, whilst the platform is also considering bolt-on acquisitions to secure the required scale and credentials to pursue municipal wastewater treatment opportunities.

Potential acquisition targets for the Underground Mining platform will aim to consolidate its presence in Australia and Canada, the latter specifically in British Columbia and Quebec, where it is under-represented.

CONCLUSION AND APPRECIATION

Each of our three business platforms are at different stages in their strategic development and they continue to diversify their specialist service offerings, to capture growth and margin opportunity and to spread risk across different international regions and phases of the project life cycle. The Group's robust financial position provides the capacity to support its growth plans.

I want to thank each and every one of our employees for all your hard work over the past financial year, for continuing to live our values and your contribution in pursuit of *Engineered Excellence* and our *New Strategic Future*. **R**

BUSINESS PLATFORMS



OIL & GAS

“We are very pleased to have been selected as BHP’s delivery partner. Clough has been delivering EPC solutions in other sectors over the last few years and it is a natural progression to utilise this capability for our mining clients too.”

PETER BENNETT, OIL & GAS PLATFORM CEO

BHP GIVES GO AHEAD FOR CLOUGH EPC CONTRACT FOR SOUTH FLANK PROJECT

BHP has awarded an Engineering, Procurement and Construction contract to Clough, to deliver the non-process infrastructure for its South Flank Project. This is a brownfields expansion on an existing mine project in Western Australia.

The South Flank project will fully replace production from the Yandi mine, which is reaching the end of its economic life. Yandi mine is an open-cut iron ore mining operation located approximately 130 kilometres from Port Headland, Western Australia. Clough will engineer, design and construct the non-process infrastructure facilities to support the mining activities at South Flank and the ore handling plant at Mining Area C.

Peter Bennett, Oil & Gas platform CEO says, “We are very pleased to have been selected as BHP’s delivery partner. Clough has been delivering EPC solutions in other sectors over the last few years and it is a natural progression to utilise this capability for our mining clients too.”

The South Flank Project will replace BHP’s Yandi mine and will produce 80 million tonnes per annum, more than any other mine the company has ever developed. **R**





“I have been lucky to work with some extremely good operators and have taken the opportunity to learn from every one of them.”

REGAN JONES, SITE SUPERINTENDENT AND COMMISSIONING LEAD ON THE PORT MORESBY POWER STATION PROJECT IN PAPUA NEW GUINEA

TELL US ABOUT YOUR ROLES AND RESPONSIBILITIES ON THE JOB.

My current role with Clough is Site Superintendent and Commissioning Lead on the Port Moresby Power Station Project in Papua New Guinea. Reporting directly to the Construction Manager, I work closely with other discipline superintendents, HSE Manager, Completions Manager and subcontractor supervisors to ensure the safe and efficient construction of the project.

I am also responsible for leading the commissioning planning, manning and execution for the start-up and utility grid connection of the power station.

WHAT DO YOU FEEL MOST PROUD OF IN YOUR WORKING LIFE?

I am proud that I have never had a serious injury or significant event happen while a team is under my management. Given the scope of the teams, intensity and high risk of these projects, it's something I try to build on in every role I have.

I am most proud of the work I have done in the fly-in fly-out wellness space with a free App that I designed and brought to market to help FIFO workers. It has given me the opportunity to reach out, share experiences and opinions and build strong, like minded relationships and networks.

WHAT ARE SOME OF THE CHALLENGES YOU FACE ON THE JOB AND HOW DO YOU TACKLE THEM?

Being away from home and my kids for long periods and then the external factors of where the project is situated and the many challenges that working in a remote location bring. Working in the industry on project rosters takes a lot out of you, but a positive attitude helps to keep these challenges in perspective.

WHO DO YOU MOST ADMIRE IN YOUR PROFESSIONAL LIFE?

I have been lucky to work with some extremely good operators but also some who are less so, and I have taken the opportunity to learn from everyone of them.

The one constant source of inspiration has been my sister. My admiration for her is at all levels of her professional career and personal life and the positive influence she has had on me and my professional direction cannot be quantified.

HOW DO YOU SPEND YOUR FREE TIME?

Between work, my App, blog and being a single father I don't have too much spare time. But outside of those things I can be found on a motorbike in the hills and trails, on a beach or with friends and family. **R**

CLOUGH SCHOLARSHIP PROGRAMME AWARDS

The Clough Scholarship Programme demonstrates Clough's commitment to support tertiary engineering institutions and their brightest students. In addition to the original engineering scholarship, the programme awards an MBA scholarship to a full-time student who demonstrates exceptional academic achievements and leadership abilities.

The engineering profession has traditionally been one led by men, but Clough is committed to building and celebrating a diverse workforce that not only recognises the talents and achievements of all employees, but also represents the community it works within and serves. Clough was therefore delighted to award both the Engineering Scholarship and the MBA Scholarship to female recipients this year.



Hayley Wheatley (*above*) was awarded the Engineering Scholarship to complete her Masters in Professional Engineering, and Priya Menon (*below*) was awarded the MBA Scholarship. Both students are undertaking their studies at UWA.

The scholarship has given Hayley not only financial assistance but also invaluable experience in the industry. Says Hayley, “sharing engineering expertise and gaining practical industry experience is so important to the development of a young engineer and is something that can't be gained in the classroom.”

To Hayley, engineering is about solving problems, the nature of which is diverse and continually evolving.

“As one of the few women in my cohort, I have worked in many teams and experienced firsthand the value that each member has brought to developing solutions. Diversity in thought is key to innovation. Without it, innovation can take time that our rapidly changing environment doesn't allow for.” concludes Hayley. **R**





UNDERGROUND MINING

“So successful was this training that we were able to recruit over 150 learners into our operations by the end of the 2017 financial year, and are looking to recruit about 120 in this financial year.”

TONY PRETORIUS, MURRAY & ROBERTS CEMENTATION'S ETD EXECUTIVE

MURRAY & ROBERTS CEMENTATION'S COMMUNITY TRAINING CENTRE OPENS DOORS FOR THE UNEMPLOYED

A proactive and ongoing training programme by the Murray & Roberts Cementation Training Academy (“MRTA”) is empowering hundreds of unemployed community residents with basic technical and safety skills, paving the way for them to enter the job market in mining and other sectors.

According to Murray & Roberts Cementation's Education, Training and Development (“ETD”) executive, Tony Pretorius, the training programme began in 2015 and was driven by the company's and the Mining Qualification Authorities commitment to community development, especially in the areas where it has active projects underway.

“The process started with us developing a Level 2 National Certificate programme in Occupational Health, Safety and Environment, which is now a learnership registered with the Mining Qualifications Authority,” says Pretorius.

“We then extended the scope of our facility to offer this qualification and, working with other important stakeholders, reached out to communities near to our operations to train up the unemployed.”

Not only does the training give local residents a better opportunity to be absorbed when possible into Murray & Roberts Cementation's





workforce, but it also equips the trainee with basic skills that are valuable in a range of basic mining, engineering and construction environments. By the end of 2017 financial year, over 250 local trainees had passed through the programme, increasing to 392 in the current financial year, already almost reaching the 400-learners-per-year capacity of the MRTA.

“So successful was this training that we were able to recruit over 150 learners into our operations by the end of the 2017 financial year, and are looking to recruit about 120 in this financial year,” Pretorius says.

Pretorius explains that the training involves core and relevant elective components including health, safety and environmental elements in line with the Level 2 National Certificate, as well as a supplementary component made up of basic technical skills such as working at heights, basic fire-fighting, basic rigging, general pipes and ventilation.

The learnership programme incorporates a wide selection of core formative and summative assessments which are administered over a six-month period, during which time learners are also required to complete various case studies at home.

“The method allows learners to apply the theory and practical skills in a mining environment, as well as in their day-to-day lives at home,” he says. “We believe that this approach offers our learners a wider understanding of the application of health, safety and environmental awareness, equipping them to identify hazards in whatever circumstances they are, and to take corrective measures.” **R**

“Cementation Americas has a proud past and from the beginning offered engineering excellence with over 800 successful contracts completed.”

CEMENTATION IN THE AMERICAS: 20 YEARS STRONG

Cementation Americas celebrate their 20th anniversary this year. The company has a proud past and from the beginning offered engineering excellence in design-build and EPC options for clients with over 800 successful contracts completed.



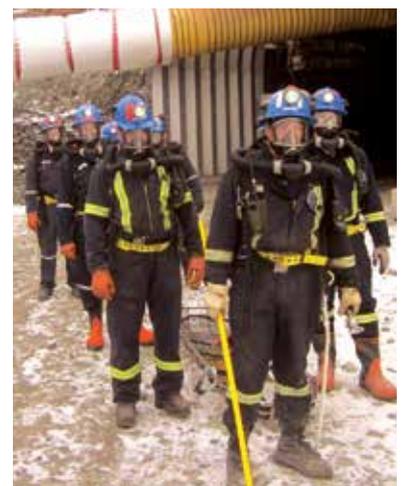
The history of Cementation Americas began in 1998 as Kvaerner Cementation in the United Kingdom, which had operations worldwide including South Africa and the UK. Taking an organic approach to expansion, they established Cementation Canada in Ontario with a group of local engineers and contractors, many of whom are still with the company today. Says Roy Slack, President of Cementation Canada, “We wanted to be able to pursue major projects from the outset and after meeting some of the executive team including Tim Wakefield and Mike Wells and touring the South Deep project, we determined that with the right support, we could pursue larger projects in Canada and eventually the USA.”

Kvaerner Cementation sold the Cementation group to Skanska and it became Cementation Skanska, which went on to acquire Aurora Quarrying, a Canadian contractor which was originally an acquisition target of Kvaerner Cementation. In 2004, Murray & Roberts acquired the Cementation group from Skanska and they became Cementation Canada, a Murray & Roberts Company.

It was in 2006 that Cementation Canada was awarded the Resolution #10 Shaft project in Arizona, USA and later that year, Cementation USA was established with a full service office in Salt Lake City, Utah to service a growing list of American clients.

Cementation Americas has been awarded the Safest Employer Award and Employer of Choice for a number of years and these are among some of their proudest accolades. Project achievements include the deepest shafts in Canada on Glencore Kidd Mine D and the USA on the Hecla Lucky Friday mine. They also introduced large diameter hard rock raise boring to North America and have been a leader in innovation with technical developments including injection hoisting and borehole production shaft, as well as commercial models which align client and contractor expectations.

With its largest order book ever and expanded service offering, including surface construction management through Merit Consultants International and material handling and processing services through Cementation Above Ground, Cementation Americas is looking forward to an exciting future! **R**





POWER & WATER

“We are excited to open our first Demonstration Water Resource Recovery Facility for eThekweni Water Services at the Verulam Wastewater Treatment Plant.”

HARRY SINGLETON, OPERATIONS EXECUTIVE, MURRAY & ROBERTS WATER

MURRAY & ROBERTS WATER OPENS IT'S ORGANICA WATER RESOURCE RECOVERY DEMONSTRATION FACILITY FOR ETHEKWINI WATER SERVICES

Murray & Roberts Water opened the first Organica Water (“Organica”) Resource Recovery Demonstration Facility for eThekweni Water Services at the Verulam Wastewater Treatment Plant in April this year.

Harry Singleton, Operations Executive, Murray & Roberts Water comments: “Murray & Roberts Water secured the exclusive license for Organica Technology in South Africa (and non-exclusively in the rest of the SADC region) early in 2016. We are excited to open our first Demonstration Water Resource Recovery Facility for eThekweni Water Services at the Verulam Wastewater Treatment Plant. We believe wastewater infrastructure in South Africa is in need of innovative and sustainable thinking and our combined technology and experience can offer the domestic solutions required”.

Murray & Roberts Water offers the capability and expertise to undertake feasibility studies, design, supply equipment, construct, commission, operate and maintain water and wastewater treatment plants in Africa. The company provides complete water treatment solutions with appropriate technology and structured commercial packages to meet client requirements.

Ednick Msweli, Head, eThekweni Water and Sanitation comments “It is our aim to provide all citizens within the eThekweni Municipality access to appropriate, acceptable, safe and affordable basic water supply and sanitation services. The Organica demonstration plant allows us to apply innovative and sustainable technology to the water and sanitation services we provide to the people of eThekweni, specifically in the realm of wastewater services.”



Organica brings a highly imaginative approach to wastewater treatment in urban and suburban areas utilising active biofilms on natural (plant) and/or engineered (patented biofiber media) root structures, all housed in a fully-enclosed, odourless facility. The result is a solution which offers 50-75% reduced physical footprint compared to conventional wastewater treatment solutions, with up to 30% reduction in operational costs, all in the form of a pleasant botanical garden-like environment that enables the wastewater treatment plant to be located virtually anywhere, thus substantially lowering infrastructure costs to connect to customers and enhancing land value around the facility. **R**

“I have great admiration for women who, through hard work and skill, fight the barriers and challenges thrown at them.”

**ANITA ARENDS, COMPLIANCE MANAGER, MURRAY & ROBERTS
POWER & ENERGY**

TELL US ABOUT YOUR ROLES AND RESPONSIBILITIES ON THE JOB.

I am responsible for overseeing the welding administration, which includes the qualification of welders and welding operators, as well as the daily documentation requirements.

I also provide quality assurance and ensure implementation of ISO 9001 and ISO 3834-2 procedures, as well as quality control matters and ensure the components that we hand over are conformant to and compliant with the various construction codes.

I oversee the work file preparation and work file completion teams, as well as the Murray & Roberts Kusile Post Weld Heat Treatment department.

WHAT DO YOU FEEL MOST PROUD OF IN YOUR WORKING LIFE?

I am proud of all that I have achieved in my career but in particular, achieving my Inspector Pressurised Equipment Certificate from the South African Institute of Welding is a highlight. I am also proud to be able to share my knowledge and training people who are enthusiastic and willing to learn is a privilege.

WHAT ARE SOME OF THE CHALLENGES YOU FACE ON THE JOB AND HOW DO YOU TACKLE THEM?

The challenges I experience are largely because I am a woman working in a traditionally male environment. While we have made strides as a country in terms of gender equality, we do still have some way to go. I have had to develop a thick skin to be able to counter the negative and unnecessary comments that come my way and am often questioned on decisions and solutions that need to be implemented, which is not something my male colleagues experience.

WHO DO YOU MOST ADMIRE IN YOUR PROFESSIONAL LIFE?

I have great admiration for women who, through hard work and skill, fight the barriers and challenges thrown at them. This is especially true for women who have roles that were in previous years filled by men.

HOW DO YOU SPEND YOUR FREE TIME?

I enjoy spending time with my friends, family and playing with my pets. I also like to read and take every opportunity I can to hike in the outdoors. **R**



PEOPLE

Robust Magazine gets to know Tumi Mametse

HUMAN RESOURCES DIRECTOR AT MURRAY & ROBERTS CEMENTATION



WHAT CAREER MILESTONES ARE YOU MOST PROUD OF HAVING ACHIEVED?

- Starting up a successful HR unit, which was non-existent since 1976 at David Brown Gear Industries. I further managed to facilitate the organisation's BEE processes from a non-compliant BEE status to a level 6 value-adding supplier within my first year of employment
- Leaving a good footprint as an HR generalist in all the companies that I have worked for including Clyde Bergemann Africa, Lekana Employee Benefits Solutions/Momentum, Mining Qualifications Authority and the Provincial Government
- Taking a step to register for my Masters after procrastinating for a few years
- Finally being part of an organisation that I have always admired and wished to be part of – dreams really do come true! Murray & Roberts is a great company and one can really appreciate the reputation of this organisation

WHAT ARE SOME OF THE CHALLENGES YOU FACE IN YOUR CURRENT ROLE?

I believe that in order to add value as an HR Director, I need a good understanding of the business and that's my primary focus at the moment. I am fortunate to be part of a dynamic team so have no doubt that I will succeed with this in no time.

WHAT EXCITES YOU ABOUT THE FUTURE IN YOUR INDUSTRY?

The construction and mining industry is the mainstay of the South African GDP and therefore the engine of our economy. Being part of this industry is exciting on its own.

HR on the other side, is similar from one industry to another, understanding the business and adding value as a strategic partner is what gives one a competitive edge.

WHAT ARE SOME OF YOUR INTERESTS OUTSIDE OF THE OFFICE?

I am a gym fanatic, a book worm and I love cooking.

WHAT IS THE BEST PIECE OF CAREER ADVICE YOU'VE RECEIVED?

Do it right the first time. This advice turned me into a perfectionist, which isn't a bad thing when coupled with good management skills. People make the organisation, not the building.

WHAT WOULD PEOPLE BE SURPRISED TO KNOW ABOUT YOU?

When alone I talk to GOD as if HE is sitting right next to me. If you see me in the car talking to myself, don't be alarmed and suggest a Philisa Care call, it's perfectly normal behaviour for me.

WHAT WAS YOUR FIRST JOB?

A modelling advert for Ponds at the age of 18. I felt rich after being issued with an R800 cheque.

WHAT WAS YOUR CAREER JOURNEY TO WHERE YOU ARE NOW AT MURRAY & ROBERTS?

My plan was to finalise my MBA in 2018, mainly to get a holistic view of running an organisation then secure a role as an HR Director to put my knowledge to use. The latter became a reality earlier and I am embracing it.

WHERE DID YOU GROW UP?

I grew up in a township called Meadowlands in Soweto. **R**

ENGINEERED EXCELLENCE

MURRAY & ROBERTS GROUP INTERNAL AUDIT RECEIVES INTERNATIONAL RECOGNITION

The Murray & Roberts Group Internal Audit Function received the highest quality excellence rating (General Conformance) from the Institute of Internal Auditors Inc (USA) on 6 July 2018. This achievement was reached in the first external independent quality assessment undertaken on the Internal Audit Function. In the Internal Audit environment and in South Africa it is exceptional that the highest rating is awarded in the first assessment. On average, the highest rating achieved in the first assessment is Partial Conformance.

Internal Audit is an independent function, which assists the Murray & Roberts Group in accomplishing its objectives by bringing an independent, systematic and disciplined approach to evaluating and improving the effectiveness of the Group's risk management, internal control and corporate governance processes.

As part of the Internal Audit mandate, adherence to the Standards as set by the Institute of Internal Auditors Inc (USA) is required. The Standards require that an Internal Audit Function is subjected to an external independent quality assessment every five years.

The assessment process includes:

- Survey to the clients of Internal Audit;
- Interviews with the Audit Committee Chair, Directors and the senior management team; and
- Review of Internal Audit's risk assessment and audit planning processes, audit tools and methodologies, engagement, staff management processes and a sample of working papers, evidence files and reports.

The Assessors have concluded that the relevant structures, policies, and procedures of Internal Audit, as well as the processes by which they are applied, comply with the requirements of the Standards and all elements of the Code of Ethics in all material

respects. The Assessors therefore awarded the best rating of "General Conformance" to Internal Audit.

In the Murray & Roberts context this means that Internal Audit follows due and proper process, from planning to issuance of its reports, with a well qualified team to deliver properly supported, factual and accurate reports; and the results of the Internal Audit audits add value and assist in the effectiveness of the Group's risk management, internal control and corporate governance processes.

THE INTERNAL AUDIT TEAM

• Peet Nel – Chief Audit Executive

[Certified Internal Auditor, Certified Construction Auditor, Certification in Risk Management Assurance, Associate General Accountant (SAICA), BCompt Hons (Unisa), BCompt (Unisa)]

• Rali Mofokeng – Internal Audit Manager

[Bcom Accounting (Unisa), Certification in Control Self-Assessment, Certified Internal Auditor, Certified Associate in Project Management (exam September 2018)]

• Simambo Banda – Internal Audit Manager

[Certified Internal Auditor, P PMP, CAPM, MBA, Certified Information Systems Auditor; Certified Information Security Manager, BEng Mechanical, LLB (in-progress, 3rd year)]

• Nthabiseng Santo – Senior Internal Auditor

[CAPM, Certificate in Compliance Management, B.Com Honours – Accounting, B.Com Accounting (UFS)]

• Siphwe Tshabalala – Project & Assurance Auditor

[Certified Internal Auditor, Certification in Auditing Projects, Project Management & Project Risks, B. Tech Internal Auditing (VUT), MBA (completing October 2018), Masters in Project Management - University of Reading Henley Business School UK (registered July 2018)] **R**



From left: Siphwe, Rali, Nthabiseng, Simambo and Peet.

ENGINEERED EXCELLENCE



RUC MINING, BRINGING CERTAINTY AND INNOVATION TO UNDERGROUND MINING

Innovation can be described as the process of translating an idea or invention into goods or services for which your clients will pay. Innovation is also a strategy to differentiate yourself from your competitors and, unless you are trying new things, you aren't learning. And if you aren't learning, you'll surely be left behind.

There is growing recognition that innovation is a key enabler of productivity and will provide a competitive advantage when the resources markets improves. Currently, mining companies are not investing in innovation on a large scale and current innovation initiatives in the sector are focused on "operating a bit faster" rather than being disruptive. Barriers to innovation include technological uncertainty, lack of skills and budget constraints.

For the Underground Mining platform, data and the ability to organise, manage and process it, is rapidly becoming a competitive differentiator. The digital mine is becoming a reality.

RUC Mining has begun implementing a digitalisation strategy which aims to improve automation, streamline processes and enable more effective strategic decision-making and analysis.

SOME OF THE DIGITALISATION ELEMENTS INCLUDE:

- 48 core fibre backbone across three mines, with flexible plug-and-play pre-terminated fibre lengths, which don't require specialised skills on site
- Wired network locations to monitor gas levels to speed re-entries and connecting fibre to primary and secondary fans to operate remotely from the surface
- Fast and low-cost Wi-Fi to development and production drilling locations
- Real time machine performance monitoring
- Remote surface semi/automated drilling and drill positioning
- Development of a production database, which integrates multiple department databases and underground aggregated data
- Digital Twin process modelling for complicated process modelling, visualisation, prediction and optimisation

Digitalisation results in an increase in lower-cost and safer tonnes, a reduction in the number of operators required and therefore site overhead costs, a higher utilisation percentage for equipment with more efficient mechanical maintenance and aggregated and integrated data from multiple sources, which is automatically and visually presented to allow better strategic decision making, all of which bring certainty to underground mining – the RUC Mining ethos. **R**

MURRAY & ROBERTS HOSTS THE 4TH ANNUAL GROUP SAFETY CONFERENCE AND RECOGNITION AWARDS

The 4th annual Murray & Roberts Group Safety Conference was hosted at the Douglas Roberts Centre on the 21st of May. This important event brings together safety executives and leaders to share and participate in ideas on continuing to develop Murray & Roberts into an industry leader in safety performance.

One of the key focus areas of the conference was the reconfirmation of the Safety Pledge, which emphasises the importance of personal leadership commitment, accountability and operational discipline in strengthening the safety culture within the Group.

The conference concluded with the Murray & Roberts Group Safety Recognition Awards, which recognises excellence in safety practices on an individual and project level. Congratulations to the 2018 winners. **R**



BEST MAP IMPLEMENTATION AT PROJECT LEVEL: HIGHEST SCORE ON SECOND ASSESSMENT

1. Underground Mining: Synchlinorium Project
2. Oil & Gas: Mundaring Weir Outfall Upgrade project
3. Power & Water: Sasol Secunda CTFE Project



BEST SAFETY PERFORMANCE AT PROJECT LEVEL: LTI FREE DAYS/MAN HOURS

1. Underground Mining: Lundin Eagle Project (4.8 LT Free years)
2. Oil & Gas: Oyu Tolgoi (1.2 million LTI Free Man hours)
3. Power & Water: Kusile Wet Flue Gas Desulphurisation Project



BEST MAP IMPLEMENTATION AT SUPERVISOR LEVEL: PLATFORM DECISION

1. Underground Mining: Kris Joki (Lundin Eagle), and Garry Morrison (Karari Project)
2. Oil & Gas: Brendan Pilmore (Mundering Weir) and Roger Fehr (Ichthys FPSO Hook Up and Commissioning Project)
3. Power & Water: Sthembiso Mathebula and Dylan Block (CTFE Project)



BEST SAFETY PERFORMANCE AT BUSINESS PLATFORM LEVEL: 12 MONTH ROLLING LTIFR

Power & Water



MOST IMPROVED SAFETY PERFORMANCE AT BUSINESS PLATFORM LEVEL: MEASURED ON 12 MONTH ROLLING LTIFR

Power & Water

CORPORATE CITIZENSHIP

“Don’t be afraid to go out and get what you want, work hard and let your work speak for itself.”

BURSARY RECIPIENT, KHUTSO MAPHATSOE, DAUGHTER OF JUDY MAPHATSOE (RETIRED TEA LADY, CORPORATE OFFICE)



MURRAY & ROBERTS LETSEMA KHANYISA BURSARY SCHEME ENABLES DREAMS

The Letsema Khanyisa trust awards qualifying Murray & Roberts employees an educational bursary for the further tertiary education of their children. Khutso Maphatsoe, daughter of Judy Maphatsoe who recently retired from the Murray & Roberts Corporate Office after 30 years of service, was a recipient of a Letsema Khanyisa bursary.

Robust Magazine got to know Khutso, who is now part of the editorial team at Benoni City Times, and was recently featured in the local community newspaper.

TELL US ABOUT WHAT STUDIES YOU DECIDED TO PURSUE AND HOW THE EXPERIENCE HAS IMPACTED ON YOUR LIFE?

The course I decided to pursue was Media and Journalism and this has impacted my life in more ways that I could imagine. I have access to all sorts of people and organisations. I have met all kinds of people, some of whom have impacted my life in more ways than one. I have had the chance to experience things I wouldn't normally experience because of the career path that I have taken.

WHAT ARE YOUR CAREER GOALS?

My career goals include making an impact within the media industry. This includes starting my own publishing company that focuses on publishing content created by all sorts of people. I also have a passion for education and would like to be part of or create a platform, where those who lack the resources for quality education, can get the type of education that they need to improve their lives.

WHO HAS BEEN A ROLE MODEL FOR YOU?

That is a really difficult question to answer! I would say my mother and my sisters, as clichéd as that sounds, it's the truth. The way they handle situations leaves me in awe at times and their strength and resilience to keep on pushing. Other than that, I draw inspiration from women such as Thuli Madonsela, Khanyi Dhlomo and Basetsana Kumalo, because of what they have achieved in their careers and how they continue to uplift women across various platforms.

WHAT PERSONAL ACHIEVEMENT MAKES YOU PROUD?

Having had the opportunity to interview the first Accident & Emergency Nurse in South Africa was a huge achievement and it makes me proud. Another one that wouldn't necessarily be considered an achievement is how thankful people are when they see their stories published in the newspaper and they call to say thank you – that feeling is always the best!! I still have a lot that I would like to achieve, but each day I am a step closer to achieving these goals.

WHAT DO YOU DO IN YOUR SPARE TIME?

In my spare time, I love to write poetry or to read a good book. I also enjoy being at home watching movies or being outdoors with friends and family. It all depends on the mood that I'm in at the time.

WHAT WORDS OF ADVICE WOULD YOU GIVE YOUR YOUNGER SELF?

Don't be afraid to go out and get what you want, work hard and let your work speak for itself. Don't try too hard to impress others or seek approval from people because you may not always get it and always be authentic. Don't be too hard on yourself when you mess up, see it as a learning curve or an opportunity to improve on what you lacked. Pick your battles, as not everything is worth fighting for. Don't give up on your dreams, regardless of the challenges that must be faced to achieve those dreams. Love yourself unconditionally and know your worth, be the light that shines unapologetically and never stop learning, there is always room for improvement and through that comes growth. **R**



TAKE A GIRL CHILD TO WORK DAY AT MURRAY & ROBERTS

The Take A Girl Child To Work Day, initiated by Cell C in 2003, is an annual event in South Africa, where companies host school girls from disadvantaged communities to spend a day at their place of work. The learners are hosted by women who have made strides in their careers and thereby given exposure to the world of work and representation of women who have overcome similar challenges that girls today face.

This is a potentially life-changing campaign for school girls across the country as it demonstrates what is possible when you have a dream and apply yourself to achieving it.

Murray & Roberts hosted a group of grade 12 learners from a number of schools in Gauteng, who are supported by the Tomorrow Trust, for a morning of inspiration, motivation and learning.

The Tomorrow Trust is a non-profit organisation supported by Murray & Roberts. The organisation provides educational support to vulnerable children, in order to facilitate improved results on their National Certificate, allowing the learners better access to tertiary opportunities. The educational support includes holiday schools to address challenges in Mathematics, English, Life Sciences and Physical Science, as well as comprehensive psycho-social care where required.

The highlight of the morning was an engaging talk by Millicent Katsane, who represented Career Wise, an organisation that provides support to the Murray & Roberts bursary and graduate programme. Millicent took us through her upbringing and how she turned obstacles and challenges into opportunities and



valuable life lessons. Members of the Murray & Roberts Forum for Professional Women also delivered a short presentation on their careers and personal journeys to success.

"Our day at Murray & Roberts was very interesting. We learnt about careers that we did not know about and can now consider for ourselves. Having the opportunity to meet business women and listen to their life experiences was very inspiring and motivating. Thank you to Murray & Roberts and Tomorrow Trust for giving us this opportunity – it was a memorable day!" said Amandle, Ntokozo, Portia and Amanda, who attended the day.

The morning concluded with a luncheon and presentation on formal dining etiquette, which proved to be educational for everyone in attendance! **R**

CORPORATE CITIZENSHIP



NELSON MANDELA CENTENARY 2018 – BE THE LEGACY

Mandela Day 2018 marked the centenary of Nelson Mandela's birth. To celebrate Mandela Day, employees at Douglas Roberts Centre wanted to make a difference to an organisation within our local community.

The Alice Care Centre and Soup Kitchen, located in Egoli Township, near Germiston was identified as our Mandela Day beneficiary. The centre was founded by Alice Kabule, who sought to help the underprivileged children in her neighbourhood. She runs a small crèche and feeds 150 local children five days a week.

On Mandela Day, employees at the Douglas Roberts Centre came together and produced 150 food packs and thanks to many generous donations we had a large selection of toys, clothing and non-perishable food items for the centre. The young children in the crèche also received a warm mattress and a blanket each!

The delivery team drove three fully-loaded vehicles to the centre and handed over the food packs and collection to Alice and the carers.

The children had each prepared an introduction for us and also shared their aspirations for their future, with many aspiring to be teachers and policemen!

When receiving their hand knitted beanies and toys, there were no fights or tears, just smiles and gratitude and lots of hugs and



kisses. It is debatable who found the most joy from the experience, the children, their carers or the group from Murray & Roberts. Alice and her team of carers have very little themselves, but sought to alleviate the poverty in their community.

"Thank you to everyone who gave of their time and resources, these small acts of kindness had a huge impact on Alice and the children" says Zelia Soares, Murray & Roberts Group Leadership and Succession Executive. **R**



MANDELA DAY AT THE ALICE CARE CENTRE AND SOUP KITCHEN

COMPETITION



ENTER NOW AND STAND A CHANCE TO
WIN R10 000 in
Makro vouchers

Spoilt with the gift of choice!

TO STAND A CHANCE TO WIN, COMPLETE THE ENTRY FORM BELOW AND ANSWER THE EASY QUESTION. POST OR EMAIL YOUR ENTRY FORM TO REACH US BEFORE 31 DECEMBER 2018 TO:

Email: competitions@bastiongroup.co.za
 Murray & Roberts Competition – MARCH 2018
 PO Box 652464, Benmore, 2010
 Sandton, Gauteng, South Africa

RULES:

1. The prize will be awarded to the first correct entry drawn.
2. The judges' decision is final and no correspondence will be entered into.
3. The prize is not transferable and cannot be exchanged for cash.

Remember to include:
 "Murray & Roberts Competition – SEPTEMBER 2018" in the subject line.

We are pleased to advise that the winner of the March 2018 Robust magazine competition was:

Nthabiseng Elsie Thlapa,
 Document Control Intern,
 Murray & Roberts
 Power & Energy.

ENTRY FORM: ROBUST MARCH 2018 COMPETITION

Name: _____

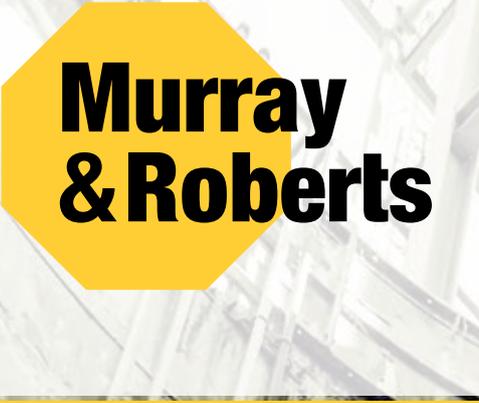
Phone number: _____

Address: _____

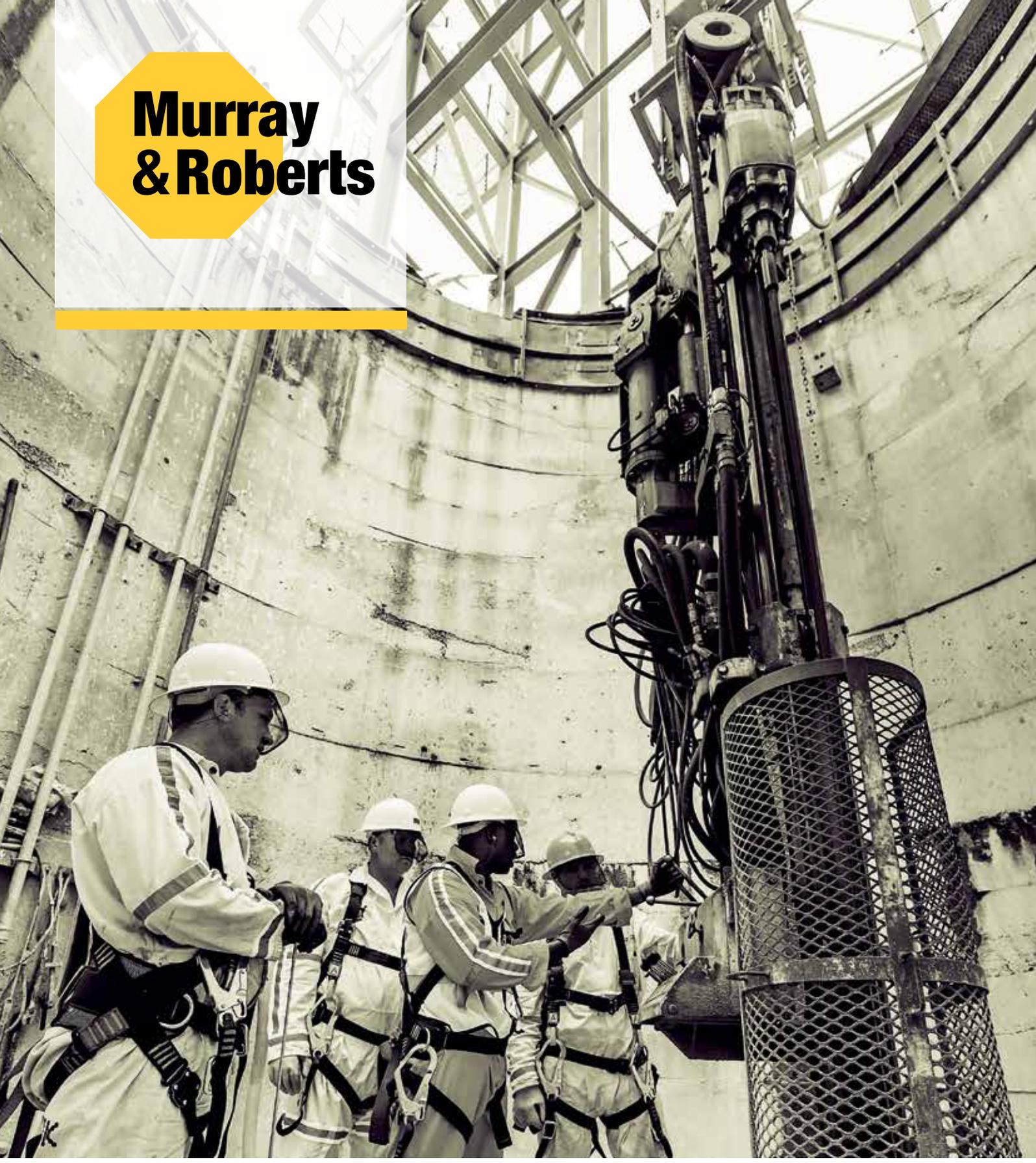
Question: Why does the Group pursue the principle of *Engineered Excellence*?

* Strictly one entry per person

Terms and conditions apply



**Murray
& Roberts**



ENGINEERED EXCELLENCE

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