

## Notice to Members

### MURRAY & ROBERTS HOLDINGS LIMITED

(Company registration number 1948/029826/06)

Share code: MUR ISIN: ZAE00008983

("the Company")

Notice is hereby given that the 56th annual general meeting ("AGM") of members of Murray & Roberts Holdings Limited ("company") will be held for the purposes reflected below:

**Date and time:** Wednesday 27 October 2004 at 12:00.

**Venue:** EG Pringle Conference Room, Douglas Roberts Centre, 22 Skeen Boulevard, Bedfordview.

### Agenda

1. to receive and consider the annual financial statements of the company for the year ended 30 June 2004 together with the reports of the directors and auditors;
2. to elect the following directors retiring in terms of article 89 of the company's articles of association<sup>1</sup> and who are eligible and offer themselves for re-election:

N Jorek, NM Magau and JM McMahon

Brief biographies of the directors seeking re-election follow:

#### Norbert Jorek (39) Dipl-Kfm MBA

Norbert Jorek joined the Group in March 2004 as a member of the executive leadership team. He was previously a vice president at AT Kearney, one of the world's foremost business consultants. It is in this respect that he had worked with the Group over the previous three years on various assignments relating to the turnaround and future direction of Murray & Roberts.

Norbert has played a key leadership role in concluding the proposed transaction in respect of Clough Limited and will hold executive responsibility for this investment. He is currently engaged in a number of initiatives that support Globalising Murray & Roberts as the new strategic initiative of the Group.

#### Dr Namane Milcah Magau (52) DEd

Namane Magau is currently the director of group human capital services at the SABC. She was previously vice president of human resources at the CSIR. Namane earned her doctorate in education at Harvard University. She is president of the Businesswomen's Association of South Africa, a non-executive director of Santam Bank and of Thebe Investments.

#### John Michael McMahon (57) BSc (Eng) (Mech)

Michael McMahon is currently non-executive director of Impala Platinum Holdings Limited, where he was previously chairman and prior to that, managing director. He is also a non-executive director of Goldfields Limited and was previously chairman and chief executive of Gencor Limited. Michael is not unfamiliar to Murray & Roberts, having been a project manager in EMS during the 1970s.

3. SE Funde, SJ Macozoma and AA Routledge are required in terms of article 83 of the company's articles of association<sup>2</sup> to retire as directors and being available and eligible, have offered themselves for re-election.

Brief biographies of the directors seeking re-election follow:

#### Sonwabe Eddie Funde (61) MSc (Eng) (Elec)

Eddie Funde is chairman of the SABC board, a director of Eskom Holdings Limited and the National Institute for Economic Policy and president of the South African Communications Forum. He was appointed a non-executive director of the Group in 2000. He has a long and distinguished career serving the ANC in exile, including as its chief representative for Australia and New Zealand between 1983 and 1991. Since returning from exile, Eddie has been tasked with many key developmental leadership roles and in recent years has focused on the telecommunications sector. He serves on the nomination committee of the Board.

#### Sakumzi (Saki) Justice Macozoma (47) BA

Saki Macozoma played a key role as student activist through the 1970s, was imprisoned on Robben Island for five years and later filled many leadership roles in the internal struggle. He has been a member of the National Executive Committee of the ANC since 1991. He was appointed a non-executive director of the Group in 2000 and is a member of the remuneration & human resources committee. He entered the private sector on leaving Transnet as managing director, where he was the first black person to hold the position. Saki is a significant shareholder and deputy chairman of Safika Holdings Limited, chairman of Stanlib Limited, deputy chairman of Standard Bank Group Limited, a non-executive director of Liberty Group Limited and Volkswagen South Africa Limited.

#### Anthony (Tony) Adrian Routledge (57) BCom CA (SA)

Tony Routledge joined the Board as a non-executive director in 1994. He was an executive director of then principle shareholder Sankorp Limited and in 1998 he joined Nedcor Limited as an executive director. Tony plays a key role as member of the audit & risk management committee and is also a member of the

<sup>1</sup> In terms of article 89 of the company's articles of association, the directors have the power to appoint any person to be a director. Any directors so appointed shall hold office only until the next following AGM and shall be eligible for re-election, but shall not be taken into account in determining the directors who retire by rotation at such meetings.

<sup>2</sup> In terms of article 83 of the company's articles of association, one third of the directors shall retire from office at the AGM. The directors so to retire shall be those longest in office since their last election. Directors appointed by the Board to fill a vacancy or as additional director shall not be taken into account in determining the directors who are to retire by rotation at the AGM.

## Notice to Members (continued)

remuneration & human resources committee. He retired in December 2003 and devotes his time to his interests in sport, wild life and eco-tourism.

4. to re-appoint the auditors Deloitte & Touche;
5. to consider and if approved to pass with or without modification the following special resolution:

### Special resolution number 1:

"That the directors of the company be and are hereby authorised to approve the purchase by the company, or by any of its subsidiaries, of the company's shares (including the conclusion of derivative transactions which may result in the purchase of shares) subject to the provisions of the Companies Act, 1973, as amended ("Act") and to the rules and requirements of the JSE Securities Exchange South Africa ("JSE"), provided that:

- (a) the general authority granted to the directors shall be valid only until the company's next AGM and shall not extend beyond 15 (fifteen) months from the date of this resolution;
- (b) any general purchase by the company and/or any of its subsidiaries of the company's ordinary shares in issue shall not in aggregate in any one financial year exceed 20% (twenty percent) of the company's issued ordinary share capital at the time that the authority is granted;
- (c) no acquisition may be made at a price more than 10% (ten percent) above the weighted average of the market value of the share for the 5 (five) business days immediately preceding the date of such acquisitions;
- (d) the repurchase of the shares are effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter party (reported trades are prohibited);
- (e) the company may only appoint one agent at any point in time to effect any repurchase(s) on the company's behalf;
- (f) the company or its subsidiary may not repurchase shares during a prohibited period;
- (g) the general authority may be varied or revoked by special resolution of the members prior to the next AGM of the company; and
- (h) should the company or any subsidiary cumulatively repurchase, redeem or cancel 3% (three percent) of the initial number of the company's shares in terms of this general authority and for each 3% (three percent) in aggregate of the initial number of that class acquired

thereafter in terms of this general authority, an announcement shall be made in terms of the listings requirements of the JSE".

This authority is subject to such repurchase not resulting in:

- (i) the company in the ordinary course of business being unable to pay its debts for a period of 12 (twelve) months after the date of this notice of AGM;
- (ii) the liabilities of the company exceeding or being equal to the assets of the company and the Group for a period of 12 (twelve) months after the date of this notice of AGM calculated in accordance with the accounting policies used in the audited financial statements of the Group for the year ended 30 June 2004;
- (iii) the share capital and reserves of the company for a period of 12 (twelve) months after the date of this notice of AGM being insufficient for ordinary business purposes; and
- (iv) the working capital of the company for a period of 12 (twelve) months after the date of this notice of AGM being insufficient for ordinary business purposes.

### Reason for and effect of the special resolution number 1:

The reason for special resolution number 1 is to grant the company or a subsidiary, a general authority in terms of the Act for the acquisition of shares of the company. Such general authority will provide the Board with the flexibility, subject to the requirements of the Act and the JSE, to repurchase shares should it be in the interest of the company at any time while the general authority exists. This general authority shall be valid until the earlier of the next AGM of the company or the variation or revocation of such general authority by special resolution by any subsequent AGM of the company, provided that the general authority shall not be extended beyond 15 (fifteen) months from the date of passing of this special resolution.

The Board has considered the impact of a repurchase of up to 20% (twenty percent) of the company's shares, being the maximum permissible under a general authority in terms of the JSE listings requirements. Should the opportunity arise and should the directors deem it in all respects to be advantageous to the company to repurchase such shares, it is deemed appropriate that the directors be authorised to repurchase the company's shares.

The effect of special resolution number 1 will be that a general repurchase of the company's shares shall not be effected before the JSE has received written confirmation from the company's sponsor in respect of the directors' working capital statement.

## Notice to Members (continued)

Furthermore, the company will consult the sponsor before:

- (a) it repurchases more than 10% (ten percent) in terms of its general authority;
- (b) it executes a repurchase which will result in the accumulated SA Rand value of the repurchases from the date of the last authority being greater than 10% (ten percent) of the members' equity at the date that the authority was obtained; or
- (c) it repurchases shares and the financial position of the Group has changed materially from the date when the sponsor first issued its written confirmation.

The company will only transact in derivative transactions relating to the repurchase of shares if, with regard to the price of the derivative, the strike price of any:

- (d) put option written by the company less the value of the premium received by the company for that put option is not greater than the fair value of a forward agreement based on a spot price not greater than 10% (ten percent) above the volume weighted average of the market value for the securities for the 5 (five) business days immediately preceding the date on which the transaction is effected;
- (e) call option is greater than 10% (ten percent) above the volume weighted average of the market value for the securities for the 5 (five) business days immediately preceding the date on which the transaction is effected at the time of entering into the derivative agreement, but the company may not exercise the call option if it is more than 10% (ten percent) "out of the money".
- (f) forward agreement is greater than 10% (ten percent) above the volume weighted average of the market value for the securities for the 5 (five) business days immediately preceding the date on which the transaction is effected but limited to the fair value of a forward agreement calculated from a spot price not greater than 10% (ten percent) above the volume weighted average of the market value for the securities for the 5 (five) business days immediately preceding the date on which the transaction is effected.

### General Information

Information relating to:

- the directors and management of the company can be found on page 13 of this report.
- the major members of the company can be found on page 42 of this report.
- material changes of the company can be found on page 48 of this report.

- the director's interest in the company can be found on page 79 of this report.
- the share capital of the company can be found on pages 64 and 65 of this report.
- any litigation can be found on page 71 of this report.

### Directors' responsibility statement

The directors whose names are given on page 13 of this annual financial report collectively and individually accept full responsibility for the accuracy of the information given in special resolution number 1 and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that special resolution number 1 contains all information required in terms of the listings requirements of the JSE.

6. to consider and if approved to pass with or without modification the following ordinary resolutions:

### Ordinary resolution number 1:

"To place 19 543 085 ordinary shares of the company not allotted nor issued as at 27 October 2004 under the control of the directors for the purpose of the continued implementation of the Employee Share Purchase Scheme with general authorisation to allot and issue these shares at such prices and upon such terms and conditions as they deem fit subject to the provisions of the Act and the rules and requirements of the JSE and of the Securities Regulation Panel."

### Reason for and effect of ordinary resolution number 1:

This ordinary resolution is required to be passed in order to obtain the approval of the company in general meeting in the form of a general authority for the directors to allot or issue these shares in terms of the Employee Share Purchase Scheme on such terms and conditions as they think fit. This ordinary resolution is in compliance with the provisions of section 221 (3) of the Act, in terms of which the general authority granted to the directors in terms of ordinary resolution number 1 shall be valid until the next AGM of the company.

### Ordinary resolution number 2:

"To place 30 000 000 ordinary shares of the company not allotted nor issued as at 27 October 2004 under the control of the directors with general authorisation to allot and issue these shares (including but not limited to any allotment to ordinary shareholders as capitalisation shares) at such prices and upon such terms and conditions as they deem fit subject to the provisions of the Act and the rules and requirements of the JSE and of the Securities Regulation Panel."

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### Reason for and effect of ordinary resolution number 2:

This ordinary resolution is required to be passed in order to obtain the approval of the company in general meeting in the form of a general authority for the directors to allot or issue these shares (including but not limited to any allotment to ordinary members as capitalisation shares) on such terms and conditions as they think fit. This ordinary resolution shall be valid until the next AGM of the company.

### Ordinary resolution number 3:

"That the directors be authorised until this general authority lapses at the next AGM of the company, provided that the authority shall not extend beyond 15 (fifteen) months of the approval, to allot and issue any ordinary shares or any options or convertible securities that are convertible into ordinary shares for cash, subject to the listings requirements of the JSE and to any other restrictions set out in the mandate on the following basis:

- (a) the allotment and issue of the ordinary shares or options or convertible securities must be made to persons qualifying as public members as defined in the listings requirements of the JSE;
- (b) the number of ordinary shares issued for cash shall not in the aggregate in any one financial year (including the number to be issued in the future as a result of the exercise of options or the conversion of convertible securities issued in that same financial year) exceed 10% (ten percent) of the company's issued ordinary share capital;
- (c) the maximum discount at which ordinary shares may be issued is 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed by the directors of the company;
- (d) after the company has issued ordinary shares for cash which represent on a cumulative basis within a financial year 5% (five percent) or more of the number of ordinary shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue including the effect of the issue on net asset value and earnings per share;
- (e) in respect of options and convertible securities granted or issued for cash, if the discount to the market price at the time of exercise of the option or conversion of the convertible security is not known at the time of the grant or issue of the option or convertible security, or if it is known that the discount will exceed 10% (ten percent) of the 30 (thirty) day volume weighted average traded price of the security at the date of exercise, the grant or issue will be subject to the issuer providing its holders of securities with a fair and reasonable statement complying

with Schedule 5 of the Act from an independent professional expert acceptable to the JSE indicating whether or not the issue is fair and reasonable to the company's holders of securities."

A 75% majority of the votes cast by members present or represented by proxy at the AGM is required for this resolution to become effective.

### Reason for and effect of ordinary resolution number 3:

This ordinary resolution is required to be passed in order to provide the directors with the flexibility to issue un-issued shares for cash as and when suitable situations arise.

The effect of the ordinary resolution will be that it will enable the company to take advantage of any business opportunity that may arise to issue ordinary shares or options or convertible securities for cash within the requirements being set by the listings requirements of the JSE.

### Ordinary resolution number 4:

"To amend the option period contained in the Employee Share Incentive Scheme which is governed by the Murray & Roberts Trust such that the grant of option shall lapse on the sixth anniversary of the option date and any grants of option which have not been exercised by such sixth anniversary shall be cancelled, subject to the following:

- a) In the event that the sixth anniversary of the option date falls within a period which is designated by the company to be a period during which directors and named officers of the company may not deal in shares of the company ("closed period") then the option period in respect of those participants who are precluded from dealing shall be extended.
- b) Such extension shall be for the same number of business days after the end of the closed period as the number of business days between the beginning of the closed period and the sixth anniversary of the option date."

### Reason for and effect of ordinary resolution number 4:

The current option period contained in the Employee Share Incentive Scheme which is governed by The Murray & Roberts Trust, expires after a period of ten years. The options are granted to senior executives and should they remain employees of the company throughout a five year period, options can be exercised on the basis of a sliding scale from the end of the second year to the end of the fifth year, with expiration of the option at the end of the tenth year. It is now deemed more appropriate for the expiration period to be reduced from ten years to six years.

7. to approve changes in fees payable quarterly in arrears to non-executive directors with effect from the quarter commencing 1 October 2004 as follows:

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		Proposed	Previous
Chairman Fee	Includes director and committee fees	R735 000 pa <sup>1</sup>	R300 000 pa <sup>2</sup> R700 000 pa <sup>3</sup>
Director Fees	Per annum (pa)	R27 000	R25 000
	Per meeting	R8 000	R7 600
<b>Committee Fees</b>			
Audit & Risk Management	Chairman	R73 500 pa	R70 000 pa
	Member	R42 000 pa	R40 000 pa
Remuneration & Human Resources	Chairman	R63 000 pa	R60 000 pa
	Member	R42 000 pa	R40 000 pa
Nomination	Chairman	R42 000 pa <sup>4</sup>	R40 000 pa
	Member	R25 000 pa	R25 000 pa
Health, Safety, Environment & CSI	Chairman	R45 000 pa	R42 000pa
	Member	N/A	

<sup>1</sup> Effective from 1 January 2005

<sup>2</sup> Approved on 28 October 2002

<sup>3</sup> Contracted from 1 January 2004

<sup>4</sup> Included in chairman fee

N/A = Not applicable

8. to transact such other business as may be transacted at an AGM of members.

### Proxy and voting procedure

Members entitled to attend and vote at the meeting may in terms of section 189 of the Act appoint a proxy or proxies to attend the meeting, speak and on a poll, vote in their stead. A proxy need not be a member of the company. A proxy form is enclosed but is also obtainable from the acting company secretary or Computershare Investor Services 2004 (Proprietary) Limited.

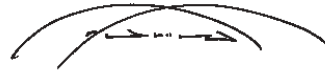
Forms of proxy in which are set out the relevant instructions for their completion, are enclosed for the use of certificated members and dematerialised members with "own" name registration who wish to be represented at the AGM. Completion of the relevant forms of proxy will not preclude such member from attending and voting (in preference to those members' proxies) at the AGM.

Dematerialised members, other than those with "own name" registration who wish to attend the AGM must inform the CSDP or broker of their intention to attend the AGM and obtain the necessary authorisation from their CSDP or broker.

Should they be unable to attend the AGM, dematerialised members other than those with "own name" registration and who wish to be represented thereat, must contact their CSDP or broker as to how they wish to vote. This must be done in a manner and time stipulated in terms of the agreement entered into between such member and the CSDP or broker.

Proxies must be received by Computershare Investor Services 2004 (Proprietary) Limited at or before 12:00 South African time, on Thursday 21 October 2004.

By order of the Board



**MW Arnold**  
Acting Company Secretary

30 September 2004

### Important notes about the AGM

- Time**  
The AGM will start promptly at 12:00. Members wishing to attend are advised to be at the venue by no later than 11:45.
- Admission**  
Members, representatives of members and proxies attending the AGM must register at the registration desk and may be required to provide proof of identity.
- Form of Proxy**  
The form of proxy for the AGM which sets out the relevant instructions for its completion and lodging is enclosed herein and additional forms may be obtained on request from the Registrars of the company or from the acting company secretary.  
  
Duly completed forms of proxy must be received at the office of the Registrars of the company by no later than 12:00 South African time on Thursday, 21 October 2004.
- Enquiries**  
Any members having difficulties or with queries in regard to the AGM may contact the acting company secretary, Millard Arnold, on (011) 456 6200.