Integrated Annual Report 2023

stefanuttistocks.com

About this report

Scope and boundary

The integrated annual report for 2023 comprises the operations of Stefanutti Stocks Holdings Limited and its subsidiaries, joint operations and equity-accounted investees (the company, the group, or Stefanutti Stocks).

This report is primarily intended to address the information requirements of investors (the group's equity shareholders and prospective investors). Stefanutti Stocks also presents information relevant to the way it creates value for clients, employees and other key stakeholders.

The information in this report covers the financial and non-financial performance of the company for the year ended 28 February 2023, and where it is relevant to include information post year-end, this has been incorporated and noted. In assessing the risks, opportunities and outcomes that materially impact the group's ability to create value for its stakeholders, the boundary has been extended beyond financial reporting to include the material interests attributable to or associated with key stakeholders.

Stefanutti Stocks endeavours to achieve a high standard in all disclosures in this report and to provide meaningful, accurate, complete, transparent and balanced information to stakeholders. The board and board committees were actively involved in the disclosures made in this report.

This report was prepared in accordance with the requirements of the South African Companies Act, No. 71 of 2008, as amended (the Companies Act), the Listings Requirements of the JSE Limited (JSE), the principles of the King IV Report on Corporate Governance™ (King IV) (copyright and trademarks are owned by the Institute of Directors in Southern Africa NPC and all of its rights are reserved) for South Africa 2016, the International Integrated Annual Reporting Council's International <IR> Framework, the International Financial Reporting Standards (IFRS), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, as well as the company's Memorandum of Incorporation (MOI).

The Stefanutti Stocks Integrated Annual Report contains a summary extract of the annual financial statements. The 2023 financial statements have been prepared under the supervision of the Chief Financial Officer (CFO), Yolanda du Plessis, and have been audited by Mazars, the group's external auditors. The integrated annual report, as well as the comprehensive annual financial statements, sustainability report, and investor presentations for the year ended 28 February 2023, are available on the company's website.

The requirement for external sustainability assurance is considered annually and is at this stage not deemed necessary by the relevant board committees. This report contains the most material issues of concern to all the company's stakeholders. For additional information visit the company's website: **www.stefanuttistocks.com.**

Materiality

Materiality is determined taking into account the International <IR> Framework, King IV principles and internal policies. The group defines material issues as those matters having the potential to affect its strategy, business model, sustainability or one or more of the capitals (as further described on pages 4 and 5) over the short, medium, and long term, taking into account the likelihood and consequence of the matters.

Forward-looking statements

The statements made within this integrated annual report may contain forward-looking information including statements regarding the company's intent, belief or current expectations with respect to Stefanutti Stocks's businesses and operations, market conditions, results of operations and financial condition, capital adequacy, specific provisions and risk management practices.

Investors/shareholders are cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements are based on Stefanutti Stocks's current expectations and involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such forward-looking statements.

These statements are based on a number of assumptions that are subject to change. The integrated annual report includes only matters up to the date of this report and the period reported on. Stefanutti Stocks disclaims any duty to update the information herein.

Board responsibility statement

The board of directors acknowledges its responsibility to ensure the integrity of the integrated annual report. The board has accordingly applied its mind, collectively and individually, to the integrated annual report and, in its opinion, the integrated annual report addresses all material issues, and fairly presents the integrated performance of the organisation and its impacts. The integrated annual report has been prepared taking into account the recommendations of King IV. The board authorised the integrated annual report for release on 19 June 2023.

Zanele Matlala
Chairman of the board

Russell Crawford
Chief Executive Officer

19 June 2023

CEO and CFO responsibility statement on internal financial controls

After due, careful and proper consideration, the directors, whose names are stated below, hereby confirm that:

— The annual financial statements, an extract of which is set out on pages 75 to 86 and which are available on the website, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

— To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

— Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;

— The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

— Where we are not satisfied, we have disclosed to the Audit, Governance and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and

— We are not aware of any fraud involving directors.

Russell Crawford
Chief Executive Officer

Yolanda du Plessis
Chief Financial Officer

19 June 2023

Preparation of financial statements

The financial statements, available on the group's website **www.stefanuttistocks.com** as well as the extract from the financial statements contained in this integrated annual report, have been prepared under the supervision of the CFO, Yolanda du Plessis, CA(SA). The extract of financial statements has been audited in compliance with the applicable requirements of the Companies Act No. 71 of 2008 as amended.

Yolanda du Plessis
Chief Financial Officer

19 June 2023

Compliance with Companies Act and MOI

Stefanutti Stocks Holdings Limited is in compliance with the provisions of the Companies Act, or relevant laws of establishment, specifically relating to its incorporation and is operating in conformity with its MOI.

Certificate by the Company Secretary

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008 as amended, I certify that, to the best of my knowledge and belief, Stefanutti Stocks Holdings Limited has, in respect of the financial year ended 28 February 2023, lodged with the Companies and Intellectual Property Commission all returns and notices required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

William Somerville
Company Secretary

19 June 2023

Independent auditor's report

The unmodified independent auditor's report, which includes an emphasis of matter, can be found on page 11 of the consolidated annual financial statements on the company's website **www.stefanuttistocks.com.**

S Vorster is the individual audit partner responsible for the audit.

Company profile

The group offers highly diversified services across a wide spectrum of engineering and construction disciplines.

Stefanutti Stocks is one of South Africa's leading engineering and construction groups and is listed on the JSE Main Board in the "Construction and Materials — Construction" sector.

Vision

If you can dream it, we can construct it.

Mission

Excellence in execution

CIDB contractor

Category 9

B-BBEE contributor

Level 1

South African employees

2 707

Group workforce

6 405

Values

Candour
Frank and respectful discussions with the objective of finding positive outcomes.

Accountability
Taking personal responsibility for one's actions and the resultant outcomes.

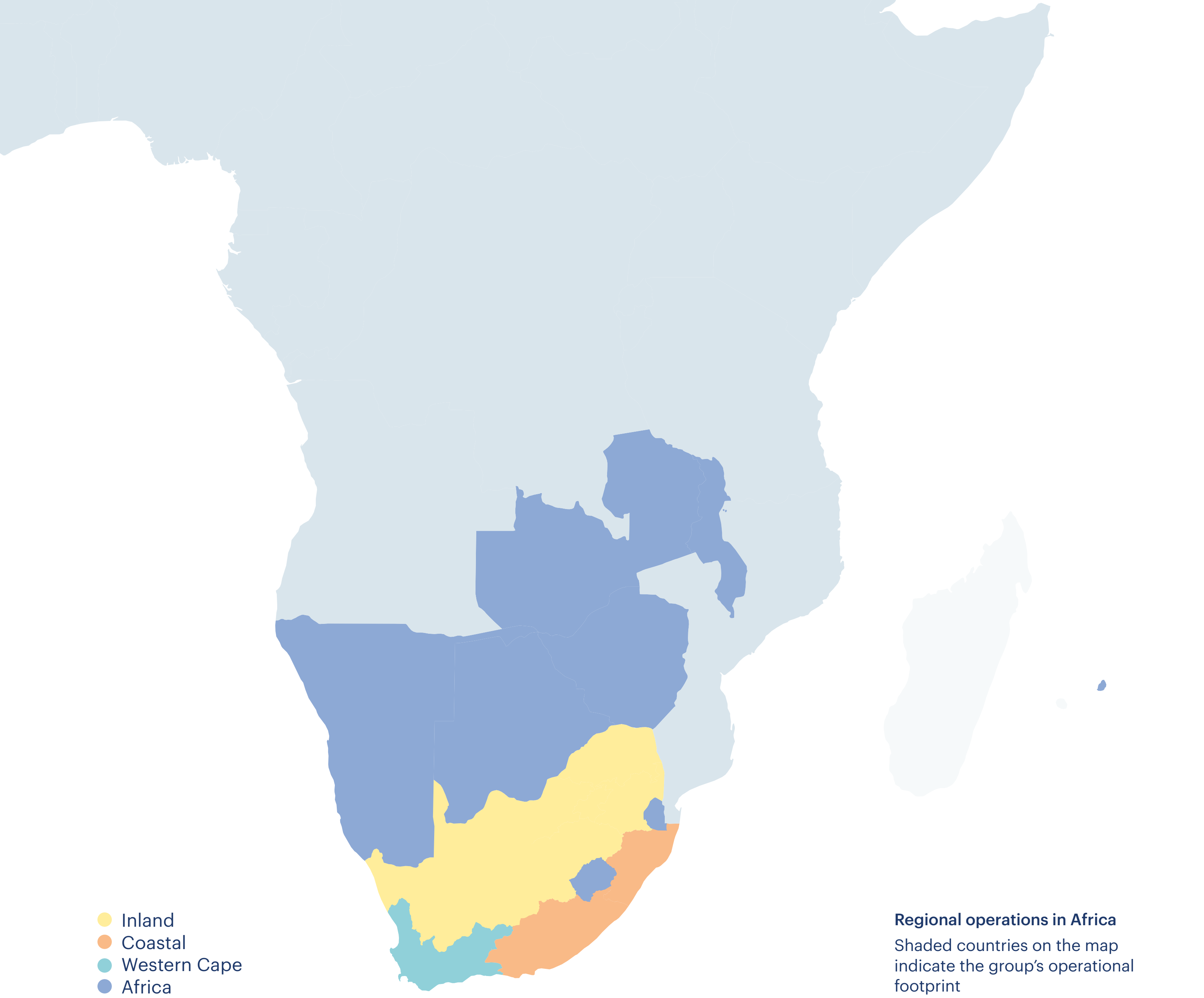
People relations
The value, which results in people treating one another fairly and with respect, and always being mindful of the human dignity of others.

Professionalism
The application of a competent, disciplined and meticulous approach to all aspects of business, resulting in performance of high quality and reliability.

Excellence
A passionate mindset that puts quality at the forefront of all business activity.

Dynamic
Embracing openness and flexibility of mind and an energetic, proactive solution-driven attitude.

Operational footprint



Regional operations in Africa

Shaded countries on the map indicate the group's operational footprint

The group operates throughout South Africa and sub-Saharan Africa with multi-disciplinary expertise including concrete structures, specialist concrete repairs, piling, geotechnical services, roads and earthworks, renewable energy, bulk pipelines, materials handling, tailings management, all forms of building works, mechanical, electrical and piping.

Stefanutti Stocks is registered with the Construction Industry Development Board (CIDB) as a Category 9 Contractor, with no restrictions on the size of projects for which the group can tender. The group is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified.

The group's operational footprint on the African continent spans South Africa and sub-Saharan Africa, including Botswana, Eswatini, Malawi, Mauritius, Namibia, Zambia and Zimbabwe in both the private and public sectors.

Clients include governments, state-owned companies, local authorities, large industrial entities, mining corporations, financial institutions and property developers.

The group's workforce is 6 405 including 2 707 South African employees, with its head office based in Kempton Park, Gauteng.

The group has a values-driven culture which underpins sustainable partnerships with all stakeholders.

The above is achieved by setting and meeting measurable key objectives to support sustainable earnings growth and, at the same time, maintaining a sound financial position while implementing key non-financial objectives to support Stefanutti Stocks's strategy.

Business model

The business model demonstrates how the group creates sustainable value for its stakeholders by transforming inputs, through business activities, into outputs and outcomes. Operations follow a continuous process of procuring new work, executing with excellence, and managing the resources that are required within the process. A wide range of service offerings support the company's strategy as it operates within physical, political and social environments. In addition, various material risks are identified as the group endeavours to implement its business model, and these are set out on pages 8 to 15 of this report.

Capitals	Inputs
Human Employees, human resource practices, trends	— 6 405 employed by the group — Board of directors — Executive Committee — Social and Ethics Committee — Founder's Mentality — OHSE Forum and HR Forum
Social and relationship Relationships with and between employees, communities and other stakeholders	— Emerging contractor development — R1,8 million invested in SED initiatives — HR Forum
Natural Any stock or flow of energy and material that produces goods and services	— Environmental Forum — Climate change initiatives — Improved biodiversity management
Financial Representative of natural, human, social or manufactured capital such as shares, bonds or banknotes	— R6 billion revenue — R458 million property, plant and equipment — R530 million contracts in progress
Manufactured Material goods and infrastructure owned, leased or controlled by the group that contribute to production	— Four operating regions — R38 million capital expenditure — R6,5 billion group order book as at 28 February 2023
Intellectual Value of the company's employee knowledge, skills and proprietary information that can provide a competitive advantage	— Multidisciplinary expertise — Leading company operating across South Africa and sub-Saharan Africa — Risk monitoring through risk registers — Internally developed operating ICT system — Brand — CIDB Category 9 Contractor — R8 million invested in training

Business activities

Strategy
Delivering products and services to clients in various regions, while remaining within acceptable risk levels.

Procurement
Established track record based on technical expertise and market knowledge enhancing reputation.

Execution inputs
Innovative projects utilising the right people, knowledge and expertise, quality services and materials, keeping safety first.

Management focus
Effectively managing risk, ensuring compliance and remaining within budget.

Foundational value system

The group's business model is underpinned by its robust values system, which is collectively known as CAPPED: Candour, Accountability, People relations, Professionalism, Excellence, Dynamic.

Outputs	Outcomes
— Governance structures adhere to King IV — Employee benefits include employee wellness programme, retirement funds, medical aid, children's educational cover and funeral cover — Remuneration policy with long-term incentives for key staff — Various initiatives address skills development and training	— R1,4 billion paid to employees — Good corporate governance practices — Key staff retention — Engaged and energised staff — 2 432 employees are deemed PDIs (90% of South African employees)
— B-BBEE initiatives — Dedicated mentorship and support of emerging contractors — Donating time, skills and materials to support educational facilities	— B-BBEE Level 1 Contributor status — Transformed construction industry and job creation — Economic growth for communities — 0,05 LTIFR — 0,44 RCR — 74 bursary beneficiaries
— Environmental framework — Environmental initiatives	— No major reportable environmental incidents — ISO 14001 certifications — Reduced environmental impact — Water conservation
— R561 million cash on hand — R512 million cash generated by operations	— R6 billion contract revenue — R38 million capital expenditure — R5,2 billion total assets — Interest-bearing debt reduced
— Enhancing and maintaining operating capacity	— CIDB Category 9 Contractor rating
— R6,5 billion group order book as at 28 February 2023 — Combined assurance framework to effectively manage risks facing the business — Operational efficiency	— Sustainable performance — Investor confidence — Stable and reliable systems and processes

Stakeholders impacted

- Analysts
- Clients
- Communities
- ED partners
- Employees
- Financiers
- Industry and government regulators
- Investors
- Lenders
- Shareholders
- Suppliers
- The JSE
- Trade unions
- VRP partners

Stakeholder engagement

Employees

Crucial feedback is provided throughout the business, through the group's interaction with employees. Various formal and informal methods have been implemented by management to meaningfully engage with employees.

Engagement with employees continues for the duration of the employment cycle. After recruitment, the next engagements occur at monthly group induction sessions. Recruits gain a broad understanding of the group, its internal organisational structure and basic policies and procedures. The sessions also act as an introductory discussion when selecting a benefit fund best suited to the employee.

The group's formal structures of employee engagement and communication include functional forums. Members include business representatives and subject matter experts with the knowledge and experience to inform the group's internal functions on matters of business strategy and standard policies and procedures. Similar forums exist on a smaller scale within each region and discipline.

Employees can discuss matters including personal development and training, performance and career path progression during scheduled, one-on-one sessions. The outcomes of these engagements help guide the succession and training plans of the group.

The company's progressive approach towards health and safety is demonstrated by its leadership engagement (LE) and visible felt leadership (VFL) initiatives. The group promotes greater personal involvement, acceptance and responsibility among employees. This is a shift from the previous approach of compliance and hard-lined management control to a behavioural based approach.

These initiatives provide two-way communication opportunities allowing employees to contribute to problem solving, while also giving a better understanding of any concerns that are raised.

In an employee survey conducted by the group, focus areas included employee satisfaction with the company, their jobs, colleagues and communication, among others. Employees received feedback from the survey with solutions being drawn from their own suggestions.

Employees who leave the group are encouraged to attend an exit interview and, where necessary, further engagement opportunities are arranged to address issues raised.

Local communities

Engaging with local communities is key to ensuring successful project delivery and it is crucial to engage at the inception of projects.

By considering local communities' needs and expectations when sourcing and selecting local subcontracting and vendor options, the group can create a sense of ownership, transparency and responsibility within the community. Community Liaison Officers (CLOs) are crucial to successfully engage with communities. Their important role includes communication with local community leaders and forums, assisting with the recruitment process, and acting on behalf of Stefanutti Stocks as community spokespersons. Communities have intimate knowledge and a unique relationship with their respective environments and CLOs provide a platform for stakeholders to table concerns and queries.

Engaged members of communities can become some of the company's greatest brand ambassadors. They help to promote the group's interest, which can lead to new work opportunities, additional work or consideration for future work.

Trade unions

The group recognises trade unions in line with the 1996 Constitution of South Africa, which provides for the right to join trade unions, and for unions' right to collectively bargain and strike. This is also in line with the Labour Relations Act which establishes the working framework for both employees and employers.

For the year under review, 711 (2022: 773) employees belonged to trade unions, representing 41% (2022: 36%) of the total scheduled workforce. Scheduled refers to those employees who are covered by industry-specific bargaining council agreements such as metal and engineering, civil engineering and building industry bargaining councils.

A lack of investment in the construction industry as well as the completion of major construction projects has significantly contributed to the decline in trade union membership. The role of trade unions in the construction industry cannot be underestimated as collective bargaining is key to a healthy employer/employee relationship.

Five trade unions operate within Stefanutti Stocks with stop order facilities in place (2022: five).

Some of these unions represent the majority of employees within certain regions which entitles them to certain organisational rights. Stefanutti Stocks negotiates with two unions at a centralised bargaining unit known as the Bargaining Council for the Civil Engineering Industry.

Stefanutti Stocks embraces collective bargaining and engagement with the trade unions, which significantly impact the employer/employee relationship.

Clients

Stefanutti Stocks strongly believes in ongoing engagement with clients. Clients are engaged through the Client Satisfaction Surveys. Details of these are captured and summarised in the Client Relations section of the Sustainability Report 2023.

Supplementing the effort of engaging clients, the group has initiated the "Client Engagement" functionality which forms part of senior management's responsibility. This will track all future work with the relevant clients and associated contact persons.

Suppliers

Suppliers and vendors are important stakeholders, and the group focuses on enhancing and developing these key relationships.

The group promotes open channels of communication and engagement with its suppliers. To enhance and streamline interaction between the company, its staff and suppliers, open and honest feedback is encouraged.

Enterprise development partners

Stefanutti Stocks acknowledges the value of enterprise development (ED). The group ED strategy is to facilitate and maintain solid working relationships with capable black-owned companies, as either suppliers or contractors, or both. The aim is to develop them in a measurable and meaningful way, and to guide their future sustainability, while enabling them to execute and deliver larger, more challenging projects.

Management teams within the region and group support services, identify and select ED partner beneficiaries via the new entrant selection process to align with group operations.

The new entrant process is a multi-phase process that is followed to objectively review potential ED partners viability and suitability to join the programme.

VRP partners

The Voluntary Rebuild Programme (VRP) seeks to develop black-owned emerging enterprises into meaningful competitors within the construction sector in a manner that is sustainable.

The JSE, industry bodies and government regulators

The company secretarial and finance functions monitor the compliance with the JSE Listings Requirements and the Companies Act. These functions also monitor the group's application of King IV with various board committees providing oversight.

Shareholders and investors

The group mainly interacts with its various shareholders and investors though announcements released on the JSE's Stock Exchange News Service (SENS). These communications inform stakeholders of the group's financial results as well as other relevant financial or regulatory matters.

Other forms of communication include the circulation of year-end and interim financial results and reports, group presentations and region-specific site visits and meetings.

The executive directors deliver presentations on the group's performance and strategic progress to employees, the media, institutional investors and financial analysts.

On its website, the company provides general company information via presentations, corporate actions and financial results, as well as information concerning its management, history, operations and various other matters of interest.

Lenders

Headed by the Chief Restructuring Officer (CRO), the group's Restructuring Implementation Team continues to advise on and assist with the development and implementation of a detailed turnaround programme for the group.

At monthly Lender Group meetings, the group engages with the Lenders, and the following is discussed:

- performance against the Restructuring Plan;
- cash flows;
- trading results;
- future prospects; and
- other issues relating to the sustainability of the group.

The group envisages this process to continue until the 2024 financial year-end.

Material risks

As a South African construction group, it is important to understand the impact of material risks on the business and the communities living in areas in which it operates.

Material risks refer to events that have a significant impact on the group's performance, reputation, and ability to create long-term value for stakeholders. These risks can range from environmental concerns and labour practices to community engagement and ethical business practices. The group performs a comprehensive overview of the material risks that will affect the group, how they are addressed and the progress made in mitigating any potential negative impacts. By prioritising these material risks and addressing them in a transparent and responsible manner, the group ensures its long-term sustainability and success.

The group identifies its material risks through the following process:

1. Identify key stakeholders

The first step is to identify the group's key stakeholders, including clients, suppliers, employees, shareholders, funders, regulators and communities. These stakeholders may have different perspectives and priorities, and it is important to understand their expectations and concerns.

2. Conduct a materiality assessment

A materiality assessment is performed to evaluate the impact and importance of various events on the group and its stakeholders. This is done through surveys, interviews, focus groups, and other forms of engagement. The assessment considers both the potential risks and opportunities associated with each event.

3. Prioritise material events

Based on the results of the materiality assessment, the group prioritises the material events that are most significant to its business objectives and stakeholders. A ranking system is used, covering the inherent risk of each such event, the proposed actions (mitigants and controls) taken by management to either transfer, avoid, accept, reduce or eliminate the identified risks. The risk that remains after all reasonable efforts have been made to reduce or eliminate the inherent risk (the residual risk) is then ranked from high to low.

4. Develop a strategy to address material residual risks

Once the material residual risks are identified, prioritised and ranked, the group develops a strategy to address each material individual residual risk. This involves setting targets, developing policies and procedures, and allocating resources to specific initiatives. The strategy also includes a plan for monitoring and reporting on progress made.

5. Review and update regularly

Material inherent and residual risks can change over time. These are reviewed and updated on a regular basis, through ongoing engagement with stakeholders and monitoring external trends and developments.

For further detail on the material risks identified, please refer to page 9.

Risk management

Risk management is of critical importance to the group, which operates in a dynamic and constantly evolving environment where risks are inherent. The success of the business depends on its ability to identify, assess, and mitigate risks effectively.

Risk management is based on the philosophy that being in business means being exposed to uncertainty and risk, with the aim of leveraging opportunities and delivering benefits from the uncertainty. It is management's role to identify and mitigate such uncertainties or risks, and, in the event they occur, to manage the consequences to limit the impact on all areas of the business.

Protecting stakeholder interests and creating sustainable stakeholder value is essential to managing risk. Likewise, an appropriate balance needs to be struck between entrepreneurial endeavour and prudent business practice. It is the group's philosophy to be "risk aware" and to recognise potential opportunities that are presented.

Board of directors

The board of directors is ultimately responsible for the risk management of the group. The board is responsible for setting the overall risk management strategy and ensuring that the group has appropriate risk management processes in place. The board also oversees the implementation of risk management processes and monitors the effectiveness of risk mitigation strategies.

The board established the Audit, Governance and Risk Committee (ARCO) to manage the risk management process. ARCO members have the necessary expertise and experience in risk management. ARCO regularly reports to the board and approves the group's risk management strategy, risk assessment, and risk mitigation strategies.

To ensure that all identified risks are subjected to the appropriate level of management control, the group has adopted a combined assurance model, which is in line with the recommendations of King IV. Risks are assured both internally and externally as appropriate. The ARCO examines the internal and external audit plans to ensure that all recognised areas of risk are covered in the audit plan and that no duplications occur. Details of the combined assurance model are set out in the corporate governance report on page 57.

The role of ARCO is further expanded in the ARCO report, please refer to page 61.

The Group Risk Officer reports to the ARCO at each meeting and presents a risk report. Internationally recognised standards are adhered to when establishing, updating and maintaining the group-wide risk framework. This includes providing guidance, supporting and coordinating the identification and recording of risk areas and properly applying the systems of risk management.

Risk management principles

The group's approach to risk management is based on several key principles:

1. **Risk ownership:** Every employee is responsible for managing risks within their area of responsibility.
2. **Proactive approach:** The group takes a proactive approach to risk management, which involves identifying potential risks before they become issues.
3. **Continuous improvement:** Continuously monitor and evaluate risk management processes to identify areas for improvement.
4. **Collaboration:** Work collaboratively with stakeholders to identify and manage risks effectively.

Risk management at different levels

Group level

These risks stem either from the socio-political/macro-economic environment or the group's strategies, in particular growth strategies. The Executive Committee (EXCO) and senior management are responsible for managing these strategic circumstances and are accountable to the board.

Regional level

These are risks that will impact primarily the group's different Regions by reducing their profitability or affecting their growth and/or reputation.

Operational level

These are risks that will impact primarily the day-to-day activities and operating processes within the group's operations.

The table on page 10 sets out the potential risk areas/events at the different levels mentioned above:

Policies

The group has several policies in place that guide its risk management practices. These include:

1. **Risk management policy:** This sets out the approach to risk management, including risk appetite and the processes used to identify, assess, and mitigate risks.
2. **Business continuity policy:** This outlines the steps required to ensure that the group can continue to operate in the event of a disruption or crisis.
3. **Information security policy:** This sets out the measures required to protect data and systems from cyber threats.
4. **Health and safety policy:** This outlines the approach to ensure the health and safety of the group's employees, contractors, and clients.

Group level

Macro-economic environment and strategic responses	Market selection	Growth strategies	Mergers and acquisitions	Business mix
Downturn/upturn in the overall demand for the services/product the group supplies in its current markets and its strategic responses to such changes. The risks and opportunities arising from factors such as interest and exchange rates, taxation regimes and other financial/ fiscal factors.	New geographical markets, new client markets and/or new product/service offerings that the group pursues as part of its growth strategies.	The strategies of the group to grow and the consequent opportunities (lost) and/or risks exposed to.	The risks of overpaying, failing to successfully integrate into the group or losing value when acquiring businesses or the loss of opportunity when failing to acquire.	The risks and opportunities arising from the mix, balance, synergies, diversification (or not) of the various types of businesses and markets within the group and the strategies to change, align and/or modify such.
Socio-political environment and strategic responses	**Group financial strength**	**Mega/major projects**	**Human capital**	**Health and safety**
The impacts from government policies such as B-BBEE, labour law changes, Employment Equity, etc.	Group's balance sheet capacity, financial policies (dividend, debt) – links to growth strategies and acquisitions.	Risks and opportunities from tendering for/not tendering for major/mega projects.	Opportunities and risks arising from attracting, retaining, losing key human capital.	Risks from non-compliance with relevant legislation or inappropriate safety records.

Regional level

Market selection	Regional growth strategies	Contract mix	Financial strength	Financial management
New geographic or new client markets that the Region pursues as part of its growth strategies.	The strategies of the Region to grow and the consequent opportunities (lost) and/or risks exposed to.	The risks and opportunities arising from the various different standards and bespoke (non-standard) methods of contracting, by Region.	Credit risk, foreign exchange risks.	Financial management methodologies and systems within the Regions in terms of working capital control, revenue, reporting, overhead control, etc.
Capacity utilisation	**Plant and equipment**	**Human capital**	**Health and safety**	
Optimal availability and utilisation of all resources.	Management and use of the necessary plant and equipment.	Opportunities and risks arising from attracting, retaining, losing key human capital as well as having in place an effective and reliable succession plan.	Risks from non-compliance with relevant legislation or inappropriate safety records.	

Operational level

Estimating and tendering	Contracting	Project execution	Quality	Resource utilisation
Correct and accurate pricing of work.	Commercial terms and conditions dictating contractual rights and obligations	Successful execution of any project within the targeted time and cost constraints (total costs, penalties, claims management, cost to completion monitoring, etc.)	Achievement of optimal quality.	Optimal use of all required resources.
Human capital	**Health and safety**	**Financial management**	**Information and communication technology**	
Opportunities and risks arising from attracting, retaining, losing key human capital as well as having in place an effective succession plan.	Risks from non-compliance with relevant legislation or inappropriate safety records.	Financial management methodologies and systems within the Regions in terms of project cash flow, working capital control, cost reporting, revenue collection, claims management, etc.	Risks from disruptions to business because of failures, downtime and loss or theft of data. Inappropriate/redundant systems not meeting business needs.	

Integration with business strategy

The group's approach to risk management is closely integrated with its business strategy. The group believes that effective risk management is essential for achieving its strategic objectives and creating value for stakeholders.

The risks that the group deems material to its operations and ongoing sustainability are set out in the table on pages 12 to 14. Overseeing the risk mitigation processes is the responsibility of the board committees and the board itself.

Group risk identification

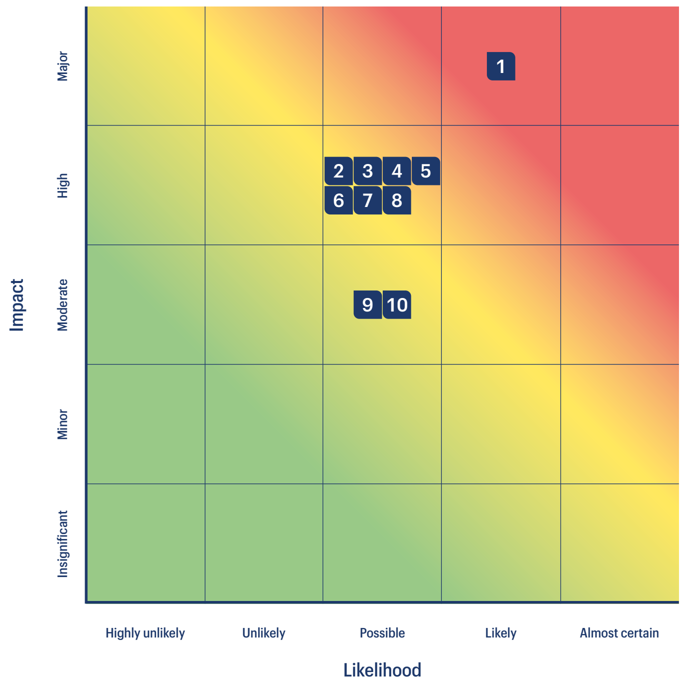
Risk identification is a crucial step in the risk management process, and involves identifying potential risks that could impact the group's objectives. The group uses a range of methods to identify risks, which can include the following:

1. **Internal and external sources of information:** The group reviews various sources of internal and external information to identify potential risks. Internal sources may include business plans, performance reports, audit reports, and incident reports, while external sources may include market research, industry reports, regulatory changes, and economic trends.
2. **Risk assessments:** The group conducts risk assessments to identify potential risks. A risk assessment typically involves a systematic review of business processes, systems, and activities to identify potential hazards, vulnerabilities, and threats.
3. **Scenario analysis:** The group uses scenario analysis to identify potential risks. This involves creating hypothetical scenarios that could impact the group and assessing the likelihood and potential impact of each scenario.
4. **Stakeholder engagement:** The group engages with stakeholders, including employees, clients, suppliers, and regulators, to identify potential risks. Stakeholder engagement can provide valuable insights into emerging risks and help the group develop more effective risk management strategies.
5. **Risk workshops and brainstorming sessions:** The group conducts risk workshops and brainstorming sessions to identify potential risks.

Once potential risks have been identified, the group evaluates them to determine their significance and prioritises them for further action. This involves assessing the likelihood and potential impact of each risk and comparing them against the group's risk appetite and tolerance levels. The group then develops risk management strategies to mitigate the identified risks, which involve implementing controls, transferring the risk to a third party, avoiding the risk altogether, or accepting the risk.

Top 10 risks

Through the risk management process, the group has identified the top 10 risks that pose the greatest threat to the group's business objectives. These risks are continuously monitored and managed by the risk management team, working closely with EXCO and senior management to develop and implement effective risk mitigation strategies.



Residual risk ratings

Rating	Key risks
1	Financial gearing and liquidity
2	Loss of market share
3	Lack of foreign investment in South Africa and Africa
4	New geographical expansion and entering new countries
5	Interest rate risk
6	Employment Equity
7	Restructuring Plan
8	Occupational health and safety systems
9	Civil unrest and political environment
10	Corporate governance and ethics

Detailed risk register

Risk category	Risk description	Mitigation and/or controls	Affected capitals	Affected stakeholders
Financial	**Financial gearing and liquidity** High gearing and low liquidity can significantly impact the financial health of any company. The current gearing of the group makes it more vulnerable to economic downturns, interest rate hikes, and changes in market conditions. This can further result in reduced liquidity in the group which could impact the ability of the group to meet its short-term financial obligations.	— Restructuring Plan implemented and actively managed — Appropriate financial gearing levels determined and reviewed regularly — Claims recovery processes implemented and managed — Refinancing of residual loan balance under discussion — Deviations from standard contractual terms to be approved at senior management level — Certification and debtors' management — Payables management — Weekly cash flow meetings — Appropriate banking facilities in place — Managing/reducing loss making contracts — Converting contracts in progress into cash — Detailed cash flow analysis at tender stage	— Financial capital — Social and relationship capital — Human capital	— Analysts — Clients — Employees — Financiers — Investors — Lenders — Shareholders — Suppliers
Market	**Loss of market share** In a competitive industry, maintaining and expanding market share is crucial for sustained growth and profitability. Factors such as local and international competitors, changing client preferences, and economic conditions can pose challenges to the group's market position. A loss of market share could result in reduced revenues, lower profitability, and a diminished competitive advantage.	— Following quality private sector clients into selected regions — Follow specific strategies per country — Quality and on-time and within client budget performance — Growing market share in selected business areas — Diversification of group via Regions — Diversification of client base within the Regions — Continuously monitoring market trends	— Financial capital — Social and relationship capital — Intellectual capital — Human capital	— Analysts — Clients — Employees — Financiers — Investors — Lenders — Shareholders — Suppliers
Economic	**Lack of foreign investment in South Africa and Africa** Foreign investment can attract capital, expertise, and technology, to stimulate economic growth and unlock new business opportunities. It also entails risks such as regulatory uncertainties, political instability, and currency fluctuations. Factors such as changes in government policies, regional conflicts, and economic volatility can impact foreign investors' confidence and willingness to invest.	— Understand the applicable risks — Diversifying regionally and cross border — Target currencies/countries outside SA and African markets on the back of quality clients/joint operation partners on a selective basis	— Financial capital — Intellectual capital	— Clients — Employees — Financiers — Investors — Lenders — Shareholders

Risk category	Risk description	Mitigation and/or controls	Affected capitals	Affected stakeholders
Economic	**New geographical expansion and entering new countries** Expanding into new countries presents a risk for the group. While it offers opportunities for growth, it also entails numerous challenges and uncertainties. Each country has its unique political, economic, and regulatory environment, which may differ significantly from the group's home market. Factors such as unfamiliar legal frameworks, cultural differences, language barriers, and varying business practices can pose obstacles to successful expansion. Additionally, market dynamics, competitive landscapes, and local infrastructure can impact the feasibility and profitability of operations in new countries.	— Conducting thorough market research and analysis, carefully evaluating potential risks and opportunities, and developing a comprehensive entry strategy for each target country — Rigorous estimating and tendering process with reduced level of authority — On-the-ground commitment to gain practical experience of region — Assistance of advisory firms/ consultants — Appropriately skilled management — Local partnering	— Financial capital — Intellectual capital	— Clients — Employees — Financiers — Investors — Lenders — Shareholders — Suppliers
Financial	**Interest rate risk** Interest rates are a critical component of the cost of capital for any company, and changes in interest rates can have a significant impact on financial performance. If interest rates increase, the group's cost of borrowing will increase, which will result in higher interest expense and reduced profitability. In addition, higher interest rates can also lead to decreased investments by clients. This can impact the business in the form of reduced revenue and decreased demand for products and services.	— Reduce current gearing level — Receipt of potential claims with interest benefit when awarded — Reduce current interest rate	— Financial capital	— Financiers — Investors — Lenders — Shareholders
Employment Equity (EE)	**Employment Equity** EE legislation in South Africa requires companies to promote diversity and inclusivity in the workplace by providing equal opportunities for all employees, regardless of their race, gender, disability, or any other factor. Failure to comply with this legislation could result in legal action, reputational damage, and loss of stakeholder trust. A diverse and inclusive workplace is essential to attract a wide range of skilled individuals from different backgrounds and experiences. Failure to comply with EE legislation could lead to a lack of diversity in the workforce, which could impact the group's ability to remain competitive in the market.	— Established a dedicated team to oversee EE within the group, with clear roles and responsibilities for all stakeholders involved — Implement policies and procedures to promote diversity and inclusivity in the workplace, including training and development programmes to support the growth and advancement of employees from diverse backgrounds — Conduct regular reviews of hiring practices and promotions to ensure that they are fair, transparent, and in line with employment equity legislation — Develop contingency plans to manage any unforeseen challenges that may arise and ensure inclusivity in the workplace	— Social and relationship capital — Human capital — Intellectual capital	— Employees — Trade unions — Analysts — Clients — Financiers — Investors — Lenders — Shareholders

Risk category	Risk description	Mitigation and/or controls	Affected capitals	Affected stakeholders
Financial	**Restructuring Plan** The risk of not successfully implementing the Restructuring Plan and repaying the Lender Group as per the loan agreement may pose challenges to the group.	— Chief Restructuring Officer appointed — Operational restructuring completed — Sale of non-core assets — Sale of underutilised plant and equipment — Reaching a favourable outcome on contractual claims and compensation events on certain projects — Mechanical project termination arbitration completed	— Financial capital — Intellectual capital — Social and relationship capital — Human capital	— Analysts — Clients — Employees — Financiers — Investors — Lenders — Shareholders — Suppliers
Execution	**Occupational health and safety systems** Occupational health and safety (OHS) risks are of paramount concern for the group. The nature of construction work involves inherent hazards and potential risks to the health and well-being of employees, contractors, and other stakeholders. Failure to adequately address occupational health and safety risks can result in workplace accidents, injuries, and even fatalities, leading to severe financial and reputational consequences.	— Implement comprehensive health and safety policies and procedures — Adhere to relevant regulations and industry best practices — Provide regular training and awareness programmes for all personnel — Internal audits — Annual OHS risk register review — Establish OHS management system — Board resolution and legal appointments	— Intellectual capital — Human capital — Financial capital — Social and relationship capital	— Analysts — Clients — Communities — Employees — Investors — Shareholders — Trade unions
Industry volatility	**Civil unrest and political environment** The risk of civil unrest and the political environment in South Africa present significant challenges for the group. Civil unrest, including protests, strikes, and social unrest, can disrupt business operations, negatively impact project timelines, and impact the safety of employees and assets. Additionally, the political environment, including changes in government policies, regulations, and political stability, can create uncertainty and affect business operations and investment decisions.	— The group closely monitors the political landscape, stays informed about social and economic developments, and maintain open lines of communication with relevant stakeholders — Regional, country and discipline diversification — Develop disaster plans — Private protection of company and clients' assets/sites	— Intellectual capital — Human capital — Financial capital	— Trade unions — Communities — Analysts — Clients — Employees — Financiers — Investors — Lenders — Shareholders — Suppliers
Legal	**Corporate governance and ethics** Corporate governance refers to the system of rules, practices, and processes by which the group is directed and controlled. A lack of strong corporate governance can lead to a range of issues, including inadequate oversight, ethical lapses, conflicts of interest, and poor decision-making. It can result in financial mismanagement, erosion of stakeholder trust, and reputational damage.	— Implement strong governance and compliance policies to prevent issues such as fraud or corruption — Regularly engage with stakeholders, including clients, employees, investors, and regulators, to build strong relationships and ensure that their concerns are addressed. — Invest in strong corporate social responsibility programmes and sustainability initiatives	— Financial capital — Human capital — Social and relationship capital — Natural capital — Intellectual capital — Manufactured capital	— Analysts — Clients — Employees — Financiers — Investors — Lenders — Shareholders

Fraud hotline

Ethical behaviour is fundamental to maintaining and building trust with stakeholders, which is why the group has implemented a comprehensive programme to ensure that business practices align with the highest standards of ethical conduct. As part of this commitment, a fraud hotline was established and is available to anyone who wants to report any unethical behaviour or suspicious activity. The hotline is managed independently by a trusted and experienced third-party service provider, to ensure that all reports are handled confidentially and objectively.

The fraud hotline is available 24 hours a day, seven days a week, and is accessible from anywhere in the world. The group encourages anyone who has witnessed or been a victim of unethical behaviour to report it as soon as possible, without fear of reprisal or negative consequences. All reports are handled with the utmost discretion, and appropriate actions are taken to address any issues that are identified.

The group is committed to fostering a culture of transparency, accountability and integrity. By providing a safe and confidential way for individuals to report any unethical behaviour, issues can be identified and addressed before they become more significant problems, protecting the long-term sustainability and success of the business.

Focus areas

The risk management focus areas for the 2023 and 2024 financial year remain:

— Going concern, solvency and liquidity;
— Ongoing funding to ensure the group's sustainability;
— Focused reviews of high-impact site operations;
— Ongoing awareness and training in respect of legal compliance;
— Regular assessment and management of developing risk areas; and
— Cyber risk.

The group's approach to risk management is based on principles of risk ownership, being proactive, continuous improvement, and collaboration. Several policies and processes are in place to ensure that risks are identified, assessed, and mitigated effectively. Risk management is closely integrated with business strategy and is designed to help the group achieve its strategic objectives and create value for stakeholders.

Chairman's report

Zanele Matlala
Chairman of the board

Business overview

Continuing operations

The group reports satisfactory results in a challenging environment, impacted by the suspension of a Mechanical contract and the late award of a significant Building contract.

Contract revenue from continuing operations of R6,0 billion is similar compared to the restated comparative period, with an improved operating profit of R101 million compared to the operating loss of R107 million of the prior year.

The weakened post-COVID-19 economy has been further exacerbated by the Russia and Ukraine conflict, which caused a rise in energy prices, resulting in increased inflation and therefore interest rates, further increasing raw material and fuel costs. These increases, together with continuous power supply disruptions and disruptive floods in KwaZulu-Natal in April 2022, continued to put pressure on the respective operations of the group and its clients.

Restructuring Plan update

The group continued to focus on the implementation of the Restructuring Plan, which aims to achieve an optimal capital structure and access to liquidity. The plan includes the sale of non-core assets, under-utilised plant and equipment and certain operations.

The group, on 28 February 2023, reached an agreement with the Lenders to extend the current capital repayment profile of the loan as well as its duration to 29 February 2024.

The Lenders continue to provide guarantee support for current and future projects being undertaken by the group.

The Restructuring Plan is anticipated to be implemented over the financial year ending February 2024 and, to the extent required, shareholder approval will be sought for certain aspects of the Restructuring Plan. The group will continue to update shareholders on the progress of the various aspects of the Restructuring Plan.

As one of its primary objectives, the group continues with its efforts to pursue contractual claims and compensation events on the Kusile power project, which has contributed to the group's liquidity challenges.

Corporate governance

The group endorses and supports the four governance outcomes, as set out in the King IV Report on Corporate Governance for South Africa, 2016 (King IV), namely: ethical culture, good performance, effective control and legitimacy.

The application of the King IV principles is assessed on an ongoing basis and further information is available on page 49 of this integrated annual report.

The group's formally adopted board charter sets out the board's responsibilities and terms of reference and is reviewed on an annual basis. As the board is accountable to shareholders, the charter ensures that the directors maintain effective control over the strategic, financial and compliance matters of the group.

The board exercises good judgment, strong leadership and acts with integrity, to better position the group for long-term sustainability. Further, all board members and employees must align with the group's code of business ethics and conduct.

Performance evaluations of the board and committees are conducted every two years, which is in accordance with King IV.

An internal performance assessment was conducted in November 2022. Overall, the outcome of the evaluation in respect of the board and committees was positive with only minor areas for improvement.

B-BBEE

The group supports the B-BBEE Act and the Codes of Good Practice for B-BBEE in South Africa and remains committed to the principles and implementation of B-BBEE within the group and its operations. It sees B-BBEE as an effective means to rectify the economic and social disparities in South Africa.

The group's current scorecard, dated August 2022, is based on the Revised Construction Codes of Good Practice.

Stefanutti Stocks maintained its Level 1 Contributor status for the year under review.

Skills development

The group is committed to empowering its employees through ongoing training and development, despite the negative impact and challenges of the unfavourable economic climate.

By continuing with operational training, programmes and bursaries, the group understands that a talented and diverse workforce is fundamental to the long-term sustainability of the business.

Stefanutti Stocks invested R8,1 million in skills development and training during the year. The group sponsored a further 87 scholarships through the Maharishi Invincibility Institute (MII), Star Schools and Training Force to the value of R2 million.

Forfeitable Share Plan (FSP)

The group established the FSP in August 2009 for purposes of implementing a share scheme to complement and enhance the ability of the group to attract, retain, incentivise and reward key employees by issuing awards.

The FSP plays an important role in the retention and attraction of suitable and competent employees within the group and further acts as a mechanism to encourage participants to build up a shareholding in the group to provide alignment between the interests of participants and shareholders.

Certain amendments were proposed to shareholders on 26 April 2023 to ensure that the group continues to embody and enhance the objectives of the FSP and to, in addition, facilitate the promotion of broad-based black economic empowerment transformational objectives within the group in accordance with the spirit and purpose of the B-BBEE Act.

These amendments were approved by shareholders on 26 April 2023.

Health and safety

The group incorporates the safety and good health of all employees into its values and objectives. To ensure the group's long-term sustainability, the protection of all employees remains consistent and at the forefront of operations.

The group's lost time injury frequency rate (LTIFR) at February 2023 was 0,05 (2022: 0,03) and the recordable case rate (RCR) was 0,44 (2022: 0,28).

Board changes

John Poluta resigned as independent non-executive director from the board effective 13 March 2023 due to health reasons. John served on the board since July 2017.

Howard Craig was appointed as a member of the Audit and Risk Committee with effect from 13 March 2023 replacing John.

It is with deep sadness that we inform you of the passing of our colleague John Poluta on 9 April. His contribution to the group will be sorely missed. Our sincerest condolences to his family. The board expresses its appreciation for John's valued contributions, insight and guidance over the years.

Appreciation

I would like to thank the management team for their dedication to leading the group during a very difficult time. I would also like to thank my fellow non-executive board members for their insight, guidance and contributions in board and committee meetings.

Zanele Matlala
Chairman of the board

19 June 2023

Performance review

Russell Crawford
Chief Executive Officer

The year under review

In line with the Restructuring Plan, the group has initiated a disposal programme to sell certain operations which have accordingly been classified as discontinued operations.

Consequently, the results for the year and the comparative period have been prepared to reflect continuing and discontinued operations.

The group continues to deliver a satisfactory performance on a normalised basis, in what remains a challenging environment in all regions. The results were affected by the suspension of a significant Mechanical contract in the Inland Region and the devastating floods and late award of a major Building contract in the Coastal Region that reduced contract revenue and increased holding costs, which impacted operating profit.

Contract revenue from continuing operations is R6,0 billion (restated Feb 2022: R6,0 billion) with an improved operating profit of R101 million (restated Feb 2022: operating loss of R107 million).

Eskom — Kusile power project

As previously highlighted to shareholders in numerous announcements and updates since late 2018, the group continues to pursue a number of contractual claims and compensation events on the Kusile power project.

SSBR Package-16 Update

Construction is complete and a management team is on-site to attend to the final commissioning of Unit 6 once Eskom provides the necessary services. A small team of clerical staff will remain on-site until the end of July 2023 to close out contract documentation.

Measurement of the final account is largely agreed pending a small number of variations which are linked to the delay and may, in all likelihood, be resolved as part of the claim process. Further certification from the measurement process is however unlikely at this stage, apart from payment to conclude the commissioning activities.

All contractor claims consequent upon events or circumstances giving rise to entitlement for extension of time plus costs which occurred before 31 December 2019 are considered to be "Claim 5".

SSBR and Eskom continue to participate in the claims resolution process, which involves the appointment of independent experts, in support of the Dispute Adjudication Board (DAB), to evaluate the causes of delays and the quantification thereof.

Between September and December 2022, SSBR submitted the following provisional claims to Eskom and the DAB:

- On 15 September 2022, a site-wide or "Whitehouse" claim amounting to R337 million.
- On 1 November 2022, a subcontractor site-wide claim amounting to R194 million.
- The Section Specific claim was submitted in December 2022 to the value of R438 million.
- A claim of R171 million for damages due to the financial cost of funding being incurred.

The total value of these claims is R1,14 billion which is based on the delay analysis as compiled by SSBR's delay expert that will be adjusted once the delay analysis is complete and agreed. Interest on all claims will only be calculated once the contractor's entitlement has been quantified.

The contract comprises 77 sections and both parties' independent delay experts have completed all analyses and submitted their final differences to the DAB for a decision on the delay entitlements. These include:

- Access related delays — the parties' delay experts have agreed a total delay of 49 153 days.
- Construction related delays — the parties' delay experts have agreed a total delay of 25 195 days.
- Commissioning related delays — agreement could not be reached between the parties' delay experts, so the DAB and delay experts will now start to engage. It is anticipated that an agreement should be reached by August 2023.

A final delay expert report will need to be compiled and issued by the DAB as an interim decision in terms of the process. The original contract duration was six years with a completion date of end November 2016. Current agreements give rise to a four year extension of time, to November 2020.

Over the last few months, the parties' independent quantum experts have been constructing schedules of differences, setting out their principal differences. The parties' independent quantum experts have had their first meeting with the DAB during March 2023 to start discussing these schedules of differences.

All contractor claims consequent upon events or circumstances giving rise to entitlement for extension of time plus costs which occurred after December 2019 are considered to be "Claim 6". There is an element of overlap between certain Claim 5 events, the effects of which have an impact on the critical path with respect to Claim 6's period. Therefore Claim 6 will be dealt with once the Claim 5 entitlement has been resolved, taking into account any overlap between the respective claims. The same quantum principles relating to Claim 5 will be applied to Claim 6.

The group envisages that the DAB will issue its binding decisions before the end of the February 2024 financial year, at which point either party may issue a notice of dissatisfaction and refer the dispute to arbitration.

At this stage, the group's claims team is unable to quantify the value of the potential awards or the exact timing thereof, as the claims must follow due process. As the outcome of the process remains uncertain, these provisional claims have not been recognised in the financial statements.

Restructuring Plan

As previously reported, the Restructuring Plan has been approved by both the company's board of directors and the Lenders. The group, on 28 February 2023, reached agreement with the Lenders to extend the current capital repayment profile of the loan as well as its duration to 29 February 2024.

The group received a final award of R90,9 million with regard to the Mechanical project termination. A capital repayment of R51 million has been made towards the loan.

On 18 July 2022, shareholders were advised that the disposal of Al Tayer Stocks LLC became unconditional. The transaction is being implemented subject to the terms of the agreement and the final purchase consideration is approximately R83 million. As previously disclosed, R92 million was received in November 2021, R11 million in May 2022, R8 million in October 2022 and R16 million in April 2023.

Regarding the sale of the Mozambique operation, the requisite approval of shareholders was obtained on 22 November 2022. The implementation of the transaction remains subject to the fulfilment and/or waiver of one last outstanding condition precedent. As noted in the circular, the long stop date was 28 February 2023, which could be extended at the election of the group to 30 June 2023. Subsequently, and in terms of the agreements, the parties to the transaction have agreed to extend the date to fulfill and/or waive the last outstanding condition precedent to 31 December 2023. The group will update shareholders regarding the fulfilment or waiver of the remaining condition precedent and the implementation of the transaction.

Order book

The group's order book at March 2023 improved by 28% year-on-year to R6,8 billion, compared with R5,3 billion for the prior year.

Operational performance

The group has completed its internal restructuring with Mechanical Electrical Piping now forming part of the Inland Region. It has also established a Renewable Energy discipline, which reports into the Inland Region and has been awarded its first contract.

Below is a summary of the results of each region for continuing operations. For a more detailed overview of the operational performance, notable projects, sustainability matters and initiatives, please refer to the operational reviews commencing on page 28.

Inland Region

Inland's contract revenue from operations is R2,3 billion (restated Feb 2022: R2,3 billion) with an operating profit of R84 million (restated Feb 2022: R15 million, however, excluding fair value adjustments relating to a property and plant and equipment held for sale, the operating profit would have been R62 million).

All disciplines have performed to expectation, except for Mechanical, due to the suspension of a significant contract. The group expects the suspension on this contract to be lifted during the following year.

The results of the Materials Handling and Tailings Management disciplines continues to be negatively impacted by the failed sale process and the group is refocusing these operations and rebuilding their order book.

With respect to a contract mining project termination, the matter is proceeding to arbitration which is expected to commence in October 2023. The group is confident that the termination was lawful and therefore no provision has been made.

The arbitration matter relating to the cancellation of a petrochemical contract had to be postponed due to a fundamental change in the client's defence. A date for the arbitration is yet to be set. At this stage the financial impact thereof cannot be quantified.

As mentioned above, the arbitration process with respect to the mechanical project termination, has been completed and a final award has been made subsequent to year-end. In terms of the award, Stefanutti Stocks has received R90,9 million. Legal fees have also been awarded, and the group awaits a final value to be taxed in accordance with the High Court tariff.

Inland's order book at February 2023 was R3,1 billion (restated Feb 2022: R2,3 billion).

Coastal Region

The Coastal Region's contract revenue from operations is R1,4 billion (Feb 2022: R1,0 billion) with an operating profit of R5 million (Feb 2022: R3 million). These results were negatively impacted by the devastating flood and the late award of a major Building contract.

Coastal's order book at February 2023 was R2,1 billion (Feb 2022: R1,1 billion).

Western Cape Region

Western Cape's contract revenue and operating profit reduced to R702 million and R30 million, compared to R1,1 billion and R54 million respectively. The results for this region were impacted by delayed contract awards.

Western Cape's order book at February 2023 was R621 million (Feb 2022: R658 million).

Africa Region

The Africa Region's contract revenue is R1,6 billion (Feb 2022: R1,6 billion) with an operating profit of R74 million (restated Feb 2022: R88 million). All operations performed to expectation.

Further to the announcement dated 30 November 2022, with respect to the arbitration relating to a contractual claim on the construction of the Kalabo-Sikongo-Angola border gate road in the Western Province of Zambia, shareholders are advised that the client applied to set the Arbitral Tribunal award aside, citing "contrary to public policy" and "matters beyond the scope of the Arbitration."

Africa's order book at February 2023 was R579 million (Feb 2022: R1,1 billion).

Industry-related matters

Community unrest

The group continues to be negatively affected by disruptive and unlawful activities of certain communities and informal business forums in certain regions of South Africa.

Lack of public infrastructure spend

There continues to be a lack of public sector infrastructure spend in South Africa. Should this improve, the group is poised to benefit.

Employment Equity Amendment Bill

The Employment Equity Amendment Bill gives the Labour Minister the power to determine and set employment equity targets per industry. The risk attached to this amendment is targets being set without meaningful consultation or supported by scientific data. Industry targets have been published for comment. The construction sector is preparing a submission to the Minister objecting to the current targets and the group awaits the outcome of this submission.

Sustainability matters

The various sustainability-related sections are summarised below and are covered in further detail in the group's separately published Sustainability Report, which is available on the company's website: **www.stefanuttistocks.com**.

Human capital

The group currently employs 6 405 (2022: 5 611) employees, excluding temporary employment services employees with 2 707 (2022: 3 080) local employees and 3 698 (2022: 2 531) based beyond South African borders — all of whom are instrumental to the group's success.

The following investments were made across the group:

- R8 million in skills development training;
- R2 million in 87 scholarships;
- R1,5 million in 74 bursaries; and
- R1 million in health and safety training.

Stefanutti Stocks has its own academy, registered with the Mining Qualifications Authority, allowing it to train and qualify operators and drivers. The academy has memoranda of understanding with Construction Education and Training Authority (CETA) and Manufacturing Engineering and Related Services Sector Education and Training Authority (merSETA), allowing the group to provide all construction-related training and apprenticeships in-house.

Health and safety

Management and staff remain committed to the group's health, safety and environmental policies and procedures, and together strive to constantly improve the group's health, safety and environmental performances. The group ensures legal compliance on all projects and strives to exceed best practices, and industry standards and norms.

There were no fatalities during the financial year.

The group's lost time injury frequency rate and recordable case rate at February 2023 were 0,05 and 0,44 respectively.

Although the group experienced lost time injuries during the year, focus has been placed on the sharing of lessons learnt and the implementation of effective interventions to prevent reoccurrence.

The group is ISO 45001:2018 certified.

Environmental management

The group reviews and revises its environmental policies annually to ensure continual improvement of its Environmental Management System.

There were no significant environmental incidents nor legal transgression during the year.

Legal compliance and exceeding best practice remain on the forefront of all operations.

The group is ISO 14001:2015 certified.

Quality management

With respect to quality, the group has the following initiatives:

- Elimination of reworks;
- Client satisfaction surveys above 80% minimum benchmark;
- Digitisation of the quality system; and
- Ensuring consistent outcomes.

The group is ISO 9001:2015 certified

Transformation

The group's current scorecard dated 31 August 2022, is based on the Revised Construction Codes of Good Practice and remains a Level 1 B-BBEE Contributor. The group's black ownership is 72,76%.

Risk management

The governance, management and monitoring of risk is the responsibility of the board, which is assisted in this regard by the Audit, Governance and Risk Committee (ARCO). It includes the determination of risk appetite and tolerance and the approval of the risk strategy, policy and framework.

Good governance relies on the three lines of defence model applied throughout the group:

- EXCO and senior management are the first line of defence;
- Operational and line management are the second line of defence; and
- The company's external accreditation service providers, internal audit and external audit are the third line of defence.

The group is looking to move to the five lines of assurance model, which is superior to the three lines of defence. The difference lies in the addition of key roles identified for senior management and the board of directors.

The group endorses and supports the four governance outcomes set out by the King IV Report, namely:

- Ethical culture;
- Good performance;
- Effective control; and
- Legitimacy.

The application of the King IV principles is assessed and reviewed on an ongoing basis. Further details regarding risk management can be found on page 9 of this integrated annual report.

Information Communication Technology (ICT)

The construction sector is one of the least digitised industries both locally and globally. While this is largely attributed to the complexity of the industry, the power of data cannot be ignored. Digitisation is at the heart of everything and when properly harnessed, can fundamentally increase productivity.

The group has a digitised core business process, with the right software, providing real-time dashboards to give insights and foresights in decision-making. The group has also embarked on artificial intelligence initiatives to improve decision making. The group's own software platform captures and measures all environmental, social and governance (ESG) metrics. Several sites across the group have been using Building Information Modelling (BIM), with implementation on all new sites, ultimately harnessing full 5D.

The group also is preparing for ISO 27001:2022 certification, which focuses on information security management. This standard assists organisations to become risk-aware and proactively identify and address weaknesses. It also gives clients and partners confidence in the group's information security.

Outlook and strategy

The group's focus will be on successfully implementing the Restructuring Plan, achieving favourable outcomes from the claims resolution processes being undertaken on the Kusile Power Projects, the closing out of ongoing arbitration matters and related processes with a continued focus on maintaining profitability.

Appreciation

I would like to thank the board, for always making themselves available at very short notice and for their guidance and support.

A special thank you to my executive team, for their steadfast support, absolute dedication, candour and true leadership in a challenging operating environment.

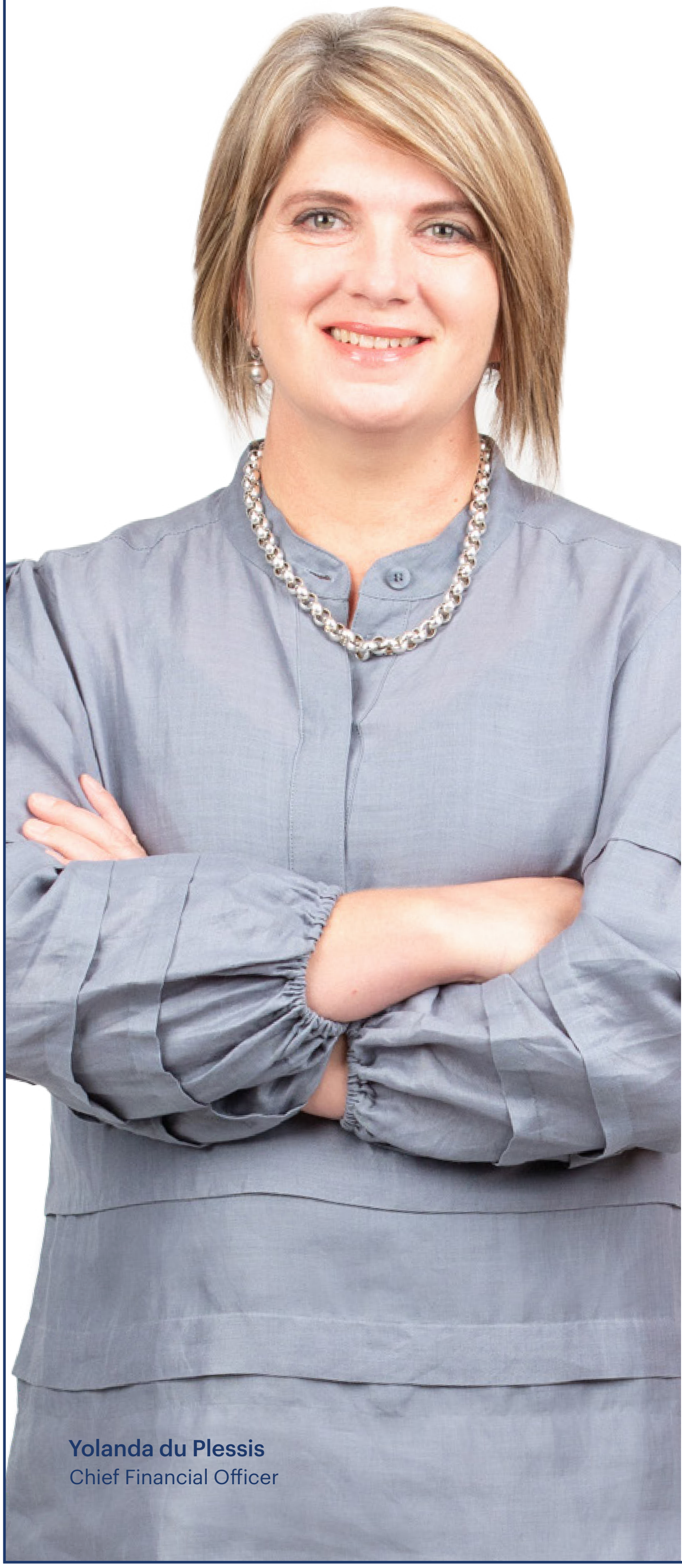
I would also like to thank every single employee for their contribution, dedication and loyalty to Stefanutti Stocks.

Lastly, I would like to thank all our clients, lenders, shareholders, business partners, suppliers and other stakeholders for their ongoing support.

Russell Crawford
Chief Executive Officer

19 June 2023

Chief Financial Officer's report



Yolanda du Plessis
Chief Financial Officer

Restructuring Plan update

The purpose of the Restructuring Plan is to put in place an optimal capital structure and access to liquidity to position the group for long-term growth. The Restructuring Plan is anticipated to be implemented over the financial year ending February 2024 and, to the extent required, shareholder approval will be sought for certain aspects of the Restructuring Plan.

As previously reported, the Restructuring Plan has been approved by both the company's board of directors and the Lenders and envisages, inter alia:

- the sale of non-core assets;
- the sale of underutilised plant and equipment;
- the sale of certain operations;
- a favourable outcome from the processes relating to the contractual claims and compensation events on certain projects; and
- evaluation of the capital structure including the potential of raising new equity.

The group, on 28 February 2023, reached agreement with the Lenders to extend the current capital repayment profile of the loan as well as its duration to 29 February 2024.

The loan bears interest at prime plus 3,9%, including arranging and facility fees, and is secured by special and general notarial bonds over movable assets, continuous covering mortgage bonds over immovable assets and various cessions. The loan does not contain any financial covenants but rather imposes certain information and general undertakings.

A capital repayment of R51 million has been made towards the loan subsequent to year-end stemming from the final award of R90,9 million granted for the Mechanical project termination.

The Lenders have agreed to provide continued guarantee support for current and future projects being undertaken by the group. The group will continue to update shareholders on the progress of the various aspects of the Restructuring Plan.

Going concern

The board deems it appropriate that the group's results for the year under review be prepared on the going-concern basis, taking into account:

- the current order book;
- imminent project awards;
- continuing operations executing the group's order book profitably;
- the availability of short- and mid-term projects;
- reaching favourable outcomes on contractual claims and compensation events on certain projects;
- continued support from the Lenders; and
- successfully implementing the Restructuring Plan.

The funding provided by the Lenders has assisted with the group's liquidity, even though as at 28 February 2023 the group's current liabilities exceed its current assets by R1 141 million (Feb 2022: R1 462 million) and the group's total liabilities exceed its total assets by R66 million (Feb 2022: R90 million). The group had an accumulated loss of R1 209 million (Feb 2022: R1 225 million). The group believes it remains commercially solvent based on the cash flow projections included in the Restructuring Plan. However, the matters as noted above including uncertainties surrounding the contingent liabilities as contained in note 26 of the group's Consolidated Annual Financial Statements for the year ended 28 February 2023, continue to indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern in the short term, and as a consequence could impact on the group's ability to realise its assets and discharge its liabilities in the ordinary course of business.

Kusile power project

Shareholders have been informed in various announcements and updates since late 2018, that the group continues to pursue a number of contractual claims and compensation events on the Kusile power project.

Stefanutti Stocks and Eskom (the parties) entered into an "Interim Arrangement for the Purposes of Agreeing or Determining the Contractor's Claims and Facilitating the Dispute Resolution Process" in February 2020, for all delay events up to the end of December 2019. This process involves the appointment of independent experts (the experts) to evaluate the causes, duration and quantification of delays.

Further to the above, the parties and the Dispute Adjudication Board (DAB) have signed a memorandum of understanding (MOU) as set out below:

- The DAB will issue decisions confirming entitlements, which entitlements the experts have agreed to, which will then be binding on the parties;
- The DAB will rely on the experts for the narrowing of the issues and information to be considered in its assessments;
- The DAB will continue to make interim decisions on the narrowed issues and information, in a progressive manner which will be binding on the parties;
- The DAB will issue such interim decisions for duration and quantification; and
- At the end of the process the DAB will issue a final binding decision in terms of the contract with respect to duration and quantification, at which point either party may issue a notice of dissatisfaction and refer the dispute to arbitration.

The group has submitted provisional claims to the experts to the value of R1,140 billion. In terms of the process as outlined above the experts will review all claims, draft agreements and narrow the issues of difference for referral to the DAB for a decision. The ongoing process will address the final phase of the delay analysis in the coming months. Once this is concluded, the group will submit its final consolidated claims, which will include the commissioning and interest costs soon thereafter.

The group envisages that the DAB will issue its binding decision before the end of the February 2024 financial year, at which point either party may issue a notice of dissatisfaction and refer the dispute to arbitration.

At present, the group's claims team is unable to quantify the value of the potential awards nor the exact timing thereof, as the claims must follow due process. Thus these provisional claims have not been recognised in the financial statements as the outcome of the process remains uncertain.

Overview of results

In line with the Restructuring Plan, the group has initiated a disposal programme to sell underutilised plant and equipment and has identified operations which have accordingly been reclassified in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. These disposals have been delayed due to the current market conditions. The group remains committed to the sale processes as envisaged in the Restructuring Plan.

The disposal of SS — Construções (Moçambique) Limitada (SS Mozambique) was approved by shareholders on 22 November 2022. The completion of the transaction is subject to the fulfilment and/or waiver of certain conditions precedent, of which one remains outstanding at year-end. Subsequently, and in terms of the agreements, the parties to the transaction have agreed to extend the date to fulfill and/or waive the last outstanding condition precedent to 31 December 2023. The East Coast Procurement division, which deals with the group's import and export of goods and services, previously envisaged to form part of the SS Mozambique transaction has been retained and therefore, reclassified as part of continuing operations. Due to these changes, the comparative period in the Statement of Profit or Loss and Other Comprehensive Income has been restated.

The disposal of Al Tayer Stocks LLC became unconditional on 18 July 2022. The transaction is being implemented subject to the terms of the agreement and the final purchase consideration of approximately R83 million, included in other current assets, is expected to be paid in due course. As previously disclosed, R92 million and R19 million was received in the 2022 and 2023 financial years respectively, with a further R16 million in April 2023. The realisation of a foreign exchange gain of R71 million included within reserves, has been reclassified to profit or loss on disposal.

Results for the year ended 28 February 2023

	2023	Restated 2022
Contract revenue — Continuing operations (Rbn)	**6,0**	6,0
Operating profit/(loss) — Continuing operations (Rm)	**101**	(107)
Loss after tax — Continuing operations (Rm)	**(37)**	(271)
Profit/(loss) after tax from — Discontinued operations (Rm)	**52**	(144)
Profit/(loss) for the year — Total operations (Rm)	**15**	(415)
EPS — Total operations (cents)	**8,72**	(248,27)
HEPS — Total operations (cents)	**(38,73)**	(97,07)
Cash on hand (Rm)	**561**	409
Total year-end order book (Rbn)	**6,5**	5,1

Financial performance

Contract revenue from continuing operations is R6,0 billion (restated Feb 2022: R6,0 billion) with an operating profit of R101 million (restated Feb 2022: operating loss of R107 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) improved from R102 million to R157 million, due to the reduction of restructuring costs and abnormal legal fees as well as a net expected credit loss (ECL) reversal of R61 million (Feb 2022: R150 million). The reversal in ECL is mainly due to debtors that were previously provided for and subsequently recovered.

Operating profit was impacted by fair value adjustments of R14 million (Feb 2022: R27 million) relating to plant and equipment held for sale.

Investment income increased to R28 million, of which R13 million relates to the arbitration award with regard to the Mechanical project termination.

Finance costs increased by R16 million, due to the increase in the prime lending rate during the year, also causing the finance costs on the funding loan to increase from R97 million to R115 million.

The tax charge is impacted by the profitability of the cross-border operations at their varying tax rates.

The after tax profit for total operations is R15 million (restated Feb 2022: loss of R415 million).

Earnings and headline earnings per share for total operations are reported as a profit of 8,72 cents (Feb 2022: loss of 248,27 cents) and a loss of 38,73 cents (Feb 2022: loss of 97,07 cents) respectively.

Financial position

Included in non-current assets are other receivables of R58 million (Feb 2022: Nil), consisting of restricted cash of R24 million (held as security for long-term guarantees) and trade receivables of R34 million which are not expected to be recovered within 12 months.

Capital expenditure for the year amounted to R38 million (Feb 2022: R18 million), of which R33 million was expended towards maintaining operations (Feb 2022: R17 million).

The increase in trade and other receivables predominantly relates to an increase in activity on a cross-border project with extended credit terms, thereby increasing the debtors days from 58 to 77 days.

Total interest-bearing liabilities have decreased from R1 451 million to R1 354 million at February 2023.

The increase in excess billings over work done relates to advances received on three projects. Of these advances R130 million are expected to be utilised during the next financial year.

The increase in other current assets, provisions and excess billings over work done and the reduction in trade and other payables all contributed towards cash generated from operations of R512 million (Feb 2022: consumed R253 million) improving the group's overall cash position to R561 million (Feb 2022: R409 million).

Operations

Inland's contract revenue from operations is R2,3 billion (restated Feb 2022: R2,3 billion) with an operating profit of R84 million (restated Feb 2022: R15 million, however, excluding fair value adjustments relating to a property and plant and equipment held for sale the operating profit would have been R62 million).

The Coastal Region's contract revenue from operations is R1,4 billion (Feb 2022: R1,0 billion) with an operating profit of R5 million (Feb 2022: R3 million). These results were negatively impacted by the devastating floods and the late award of a major building contract.

Due to delayed contract awards, Western Cape's contract revenue reduced to R702 million (Feb 2022: R1,1 billion) with an operating profit of R30 million (Feb 2022: R54 million).

The Africa Region's contract revenue is R1,6 billion (Feb 2022: R1,6 billion) with an operating profit of R74 million (restated Feb 2022: R88 million).

The group's order book is currently R6,8 billion of which R1,1 billion arises from work beyond South Africa's borders.

Contingent liabilities and assets

With respect to the Mechanical project termination, the arbitration process has been completed and a final award has been made subsequent to year-end. In terms of the award, the group was awarded R90,9 million. In addition, legal fees have also been awarded and are subject to taxing in accordance with the High Court tariff. As soon as this process has been completed, shareholders will be updated and advised accordingly.

With respect to a contract mining project termination, the matter is proceeding to arbitration. The arbitration is expected to commence in October 2023. The group is confident that the termination was lawful and therefore no provision has been made.

The arbitration matter relating to the cancellation of a petrochemical contract had to be postponed due to a fundamental change in the client's defence. A date for the arbitration is yet to be set. At this stage the financial impact thereof cannot be quantified.

Further to the announcement dated 30 November 2022, with respect to the Arbitration relating to a contractual claim on the construction of the Kalabo-Sikongo-Angola border gate road in the Western Province of Zambia, shareholders are advised that the client applied to set the Arbitral Tribunal award aside, citing "contrary to public policy" and "matters beyond the scope of the Arbitration." The hearing was heard on the 24 February 2023 and the Judge reserved judgment for 90 days.

Please refer to note 26 of the group consolidated annual financial statements.

Dividend declaration

No dividend has been declared for the year (Feb 2022: Nil).

Subsequent events

Other than the matters noted herein, there were no other material reportable events which occurred between the reporting date and the date of this integrated annual report.

Appreciation

I would like to sincerely thank the finance teams and other service departments, for their ongoing commitment, hard work and support.

Yolanda du Plessis
Chief Financial Officer

19 June 2023

Five-year financial review

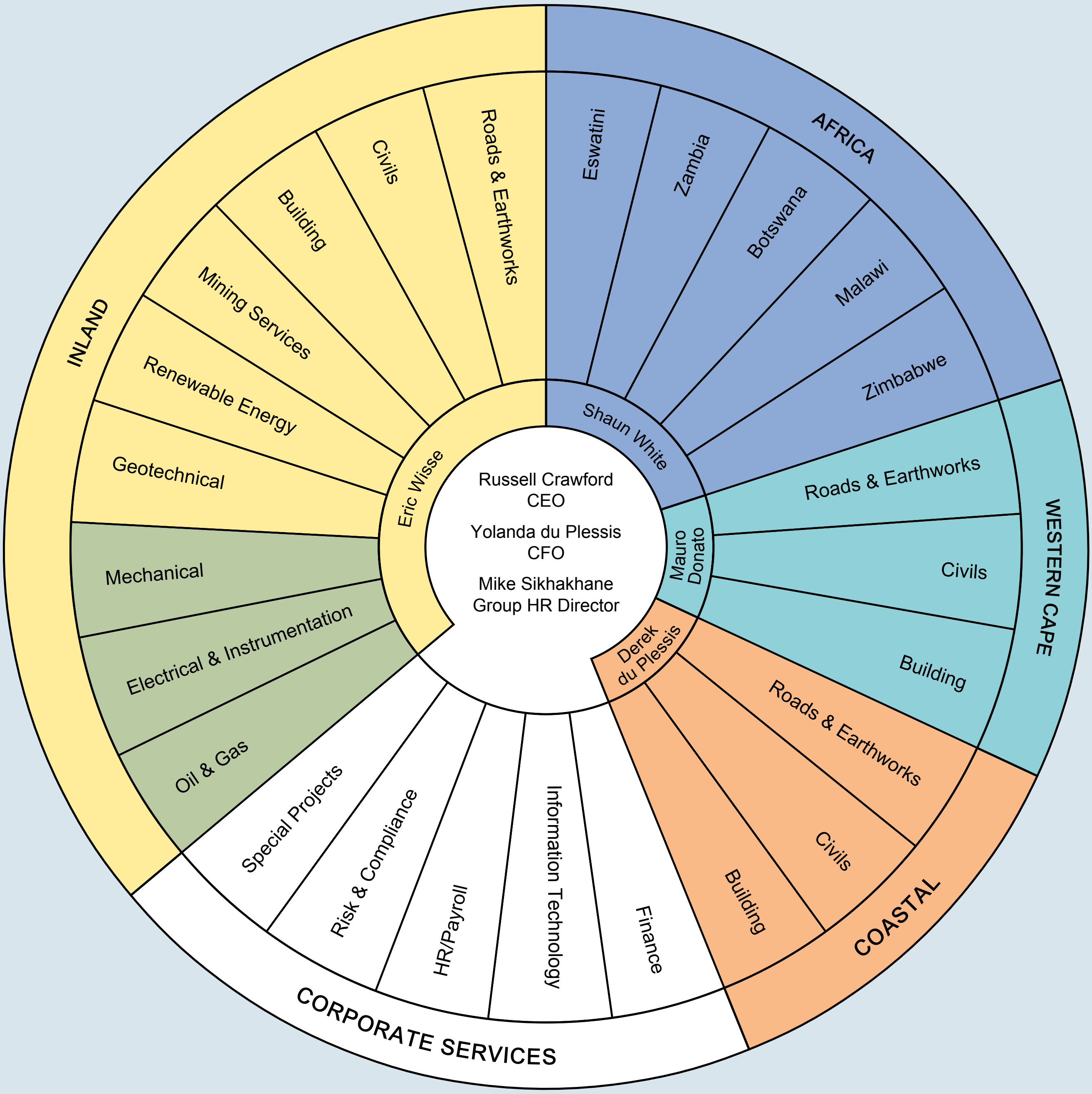
		2023	Restated 2022	2021	2020	2019
Profit information						
Contract revenue	R'million	**5 980**	5 968	4 692	7 227	9 875
Operating profit/(loss)	R'million	**101**	(107)	(55)	(1 022)	(158)
Operating profit/(loss) margin	%	**1,7**	(1,8)	(1,2)	(14,1)	(1,6)
Profit/(loss) for the period	R'million	**15**	(415)	(290)	(1 072)	(111)
Net profit/(loss) margin	%	**0,3**	(7,0)	(6,2)	(14,8)	(1,1)
Headline earnings	R'million	**(65)**	(162)	(259)	(1 041)	(118)
Financial position						
Total assets	R'million	**5 150**	4 597	5 413	6 645	6 448
Total equity	R'million	**(66)**	(90)	353	712	1 732
Total liabilities	R'million	**5 217**	4 687	5 060	5 933	4 717
Cash generated from/(consumed by) operations	R'million	**512**	(253)	(209)	(674)	114
Asset management						
Return on assets	%	**0,3**	(0,1)	(4,8)	(16,4)	(1,7)
Return on equity	%	**(18,7)**	(461,2)	(53,0)	(86,5)	(6,3)
Net asset turn	times	**1,2**	1,3	0,9	1,1	1,5
Shareholders' ratios						
Profit/(loss) per share	cents	**9**	(248)	(172)	(640)	(66)
Headline earnings per share	cents	**(39)**	(97)	(155)	(622)	(70)
Dividend per share	cents	**—**	—	—	—	—
Stock exchange statistics						
Market capitalisation — close	R'million	**275**	90	47	41	489
Market value per share						
— At year-end	cents	**146**	48	25	22	260
— Lowest closing for the year	cents	**49**	25	12	8	140
— Highest closing for the year	cents	**173**	58	50	260	420
Weighted number of shares		**167 244**	167 244	167 244	167 244	167 836
Total volume traded during the year		**92 003 577**	133 146 772	118 520 767	120 798 448	69 714 276
Rand value traded during the year	R'000	**73 839**	62 873	28 499	50 473	167 822

Value-added statement

	2023 %	2023 R'000	2022 %	Restated 2022 R'000
Based on continuing operations				
Contract revenue		**5 979 555**		5 968 484
Less: Costs of materials, services and subcontractors		**(4 356 031)**		(4 625 376)
Value added by operations	**98,4**	**1 623 524**	98,0	1 343 108
Investment income	**1,7**	**28 459**	1,4	19 010
Share of (losses)/profits of equity-accounted investees	**(0,1)**	**(1 468)**	0,7	8 958
Total value add	**100,0**	**1 650 515**	100,0	1 371 076
Distributed as follows:				
Corporate social investment				
Donations and other community investments	**0,1**	**1 833**	0,1	873
Employees				
Short-term and post-employment benefit costs	**87,3**	**1 439 554**	97,8	1 341 113
Providers of finance				
Interest and finance charges	**7,8**	**128 849**	8,2	112 882
Operating lease rentals	**2,4**	**39 908**	3,9	53 452
Government				
Taxation	**2,2**	**36 330**	5,8	79 913
Total value distributed	**99,8**	**1 646 474**	115,8	1 588 233
Reinvested in the group	**0,2**	**4 041**	(15,8)	(217 157)
Reserves available to ordinary shareholders	**(2,3)**	**(37 499)**	(19,8)	(271 432)
Depreciation	**2,5**	**41 540**	4,0	54 275
	100,0	**1 650 515**	100,00	1 371 076
Value-added ratios				
Number of employees — total operations		**6 405**		5 611
Less: Employees forming part of discontinued operations		**(704)**		(930)
Number of employees — continuing operations		**5 701**		4 681
Contract revenue per employee (rand)		**1 049**		1 275
Value created per employee (rand)		**290**		293

The group did not receive any financial assistance from government during the year.

Group structure



Operational reviews
Inland

Highlights

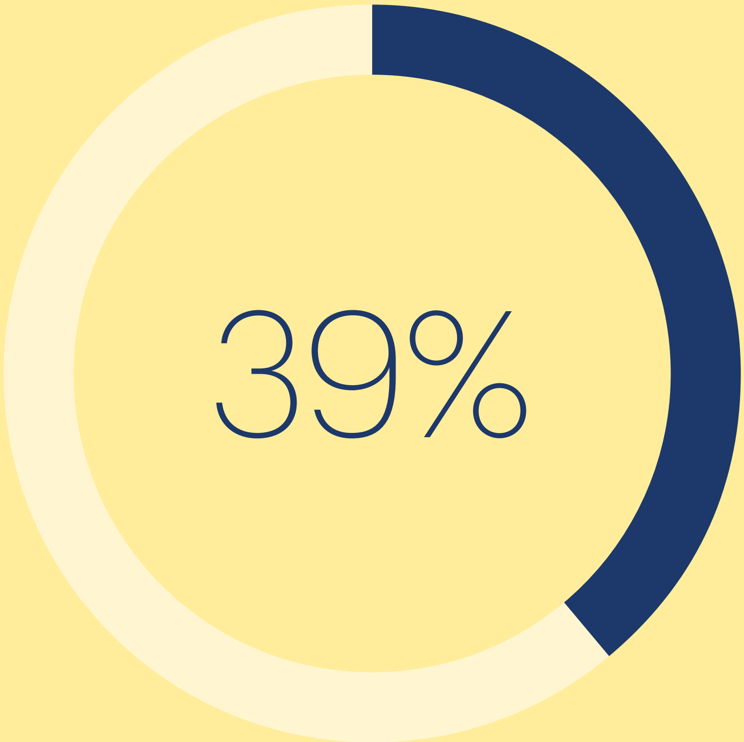
Order book
R3,1bn

Contract revenue
R2,3bn

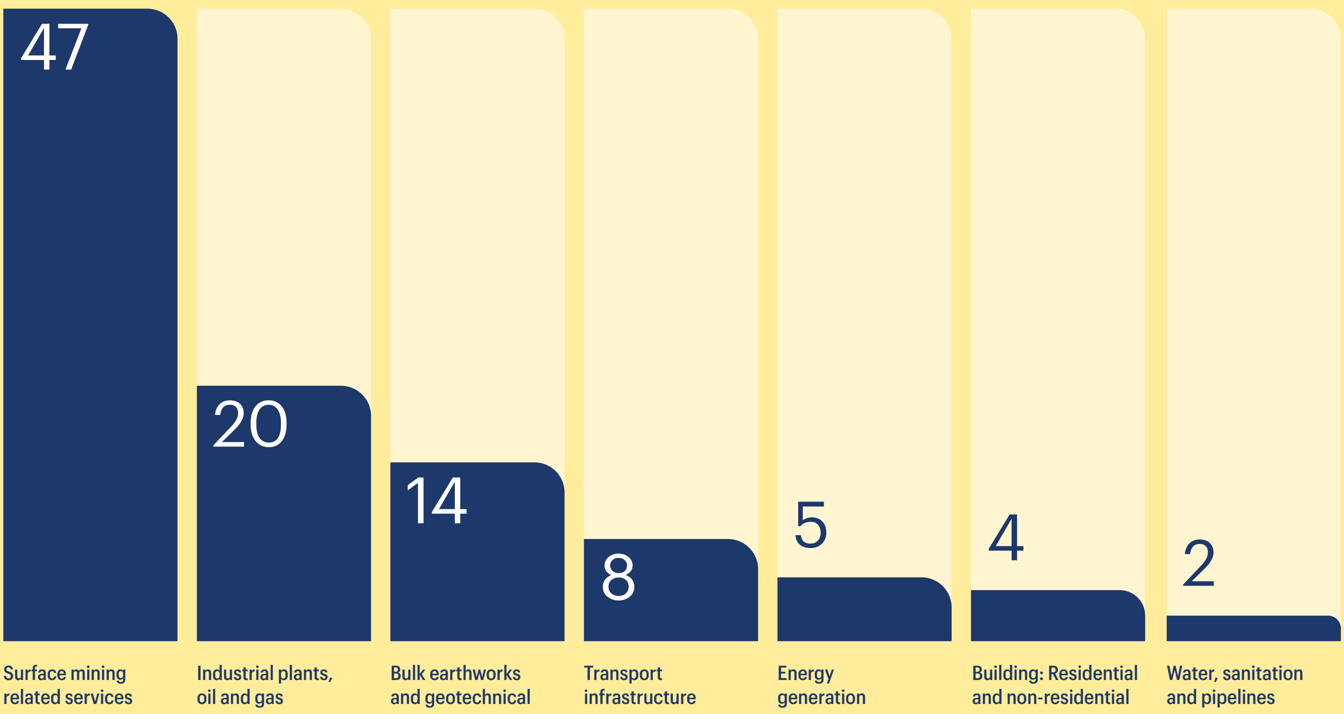
Operating profit
R84m

LTIFR
0,00

Percentage of group revenue



Turnover by sector (%)



Strategic focus

- Strengthen and diversify order book through targeted client and project selection.
- Focus on strengthening long-term order book.
- Execute projects with excellence, improve on tendered margins.
- Generate cash through profitable, cash-positive operations.

Performance

Inland's contract revenue from operations is R2,3 billion with an operating profit of R84 million (restated Feb 2022: R15 million, however, excluding fair value adjustments relating to a property and plant and equipment held for sale, the operating profit would have been R62 million).

A specific contract, which is executed in Zimbabwe, is included within the Inland Region for reporting purposes, as the required specialised skills and expertise to execute the contract is derived from the Inland Region.

The year under review was marked by tough trading conditions within the Inland Region. Public Infrastructure activity in particular remained disappointing, with most project awards being delayed and/or cancelled.

Capabilities

Civils

- Caisson construction
- Civil works, bridges (conventional, precast, incrementally launched, cable-stayed, balanced cantilever, etc.), and transport infrastructure (road, rail, container terminals, airport aprons and taxiways)
- Specialist concrete rehabilitation, repair and waterproofing
- Industrial, petrochemical, and mining plant repair and renovation under shutdown or live conditions
- Desalination infrastructure
- Specialists in precast concrete solutions
- Reinforced concrete construction
- Specialist civil mine infrastructure
- Specialist water and waste-water civil infrastructure (water and waste-water treatment plants, pump stations and associated infrastructure, concrete dams, and reservoirs)
- Materials handling balance of plant
- Energy infrastructure (power plants: coal-fired, gas, etc.)
- Petrochemical plants, industrial plants (cement) and industrial factories
- Environmental rehabilitation and management projects

Roads & Earthworks

- Bulk earthworks
- Road construction and rehabilitation
- Mining infrastructure
- Large earth dam construction
- Bulk civil services construction
- Tailings storage facilities construction
- Construction of high-density polyethylene (HDPE) lined containment infrastructure
- Crushing and screening
- Asphalt manufacture and paving
- Agricultural land preparation and infrastructural development
- Water infrastructure construction
- Rail and rail infrastructure construction
- Large diameter welded steel pipe installation
- HDPE and ductile cast-iron pipeline installation

Geotechnical

- Piling in all soil conditions
- Design and construction of various types of piles
- Lateral support
- Rock anchoring
- Shotcrete
- Void fill
- Grouting, including specialist consolidation, compaction and dolomitic treatment
- Sinkhole remediation and repairs

Mining Services

Materials Handling

- Energy coal processing
  - Reclamation of discard and fine coal
  - Mining, blending, drying and processing product that conforms to specifications
- Conventional materials handling including:
  - Reclamation of dumps including screening, blending, placement, slurry disposal, final dump rehabilitation
  - Waste rock dump management
  - Handling of terrace coal
  - Handling of material from dumps and stockpiles

Tailings Operations

- Design, construct, and operate tailings storage facilities
- Hydraulic mining/reclamation

Mechanical Electrical Piping

- Control systems
- Field instrumentation
- Materials handling systems
- Mechanical equipment
- Switchgear and motor control centres
- Petrochemical and gas pipelines
- Process piping systems
- Design and build high-rate water clarifier plants®
- Structural steel fabrication and erection
- Pipe spool fabrication
- Tank and tank farm construction
- Petrochemical shutdown maintenance work
- Commissioning support and assistance
- Scaffolding, painting and insulation

If awarded at all, timelines from tender to project award varied from nine months to in excess of 18 months.

The mining sector — for which a mix of capital expansion and stay-in-business projects are being undertaken — remained the region's main focus. Activity in the petrochemical industry gained momentum from June 2022, while geotechnical activities, after a slow first half of the reporting period, picked up drastically in the second half of the year.

Given the prevailing difficult trading conditions, the Inland Region delivered a solid performance. This was led by an outstanding performance by the Civils Discipline and its two anchor projects Ivanplats Headgear and Zimplats SO_2 abatement project, as well Sasol projects at Secunda and Sasolburg.

The Roads & Earthworks Discipline delivered a solid performance in spite of a number of delayed project awards. The Bufferdam project at Mogalakwena, gained momentum after a slow start due to its integration with the client's mining operations. Towards the end of 2022 the discipline secured the fourth phase of the Mareesburg Tailings Facility construction for Anglo American (it has completed the first three phases).

Within the Mining Services Discipline, the Materials Handling Discipline lost one of its long-term anchor projects in the coal sector. However, it managed to secure a three-year extension to its Northern Cape based Khumani Iron Ore Mine project. The Tailings Management Discipline delivered a steady performance and secured a number of strategic contract extensions with some key clients.

In spite of a slow first half of the year the Geotechnical Discipline delivered a commendable performance and has a healthy order book going into the new year.

The winding down of the Inland Building Discipline is expected to conclude with the completion of the Gabonewe Residential Estate housing project in July 2023.

The Mechanical Discipline secured an anchor contract, the Koketso project for Kumba, early in the financial year. Various design delays resulted in a slow start of the project and culminated in the client deciding to perform a full project design and feasibility review. The project was suspended (following agreement of all parties) until this process has been concluded, severely affecting the Mechanical Discipline performance.

The Electrical & Instrumentation Discipline delivered a solid performance with most of its work coming from maintenance projects for Sasol. It also secured significant anchor projects from Anglo American's Kumba Iron Ore at the Kolomela and Sishen mines.

Prior to Sasol Secunda's annual shutdown and the resultant activities, the Oil & Gas Discipline experienced a slow year. The award of the NH3 tank replacement project for Linde at Sasolburg ensures a longer-term anchor project for the discipline that has also secured a second anchor project — the 141 Carry Water Line Renewal project in Secunda. The in-house fabrication and spool manufacturing facility has been relocated to a new facility close to the group's Protec Business Park facilities in Chloorkop.

Outlook

The Inland Region starts the 2024 financial year with a strong, secured order book, considering current market conditions. The region's focus remains on the mining, industrial and petrochemical sectors. Any positive movement within the public infrastructure sector is considered additional to current planning.

The region has established a dedicated Renewable Discipline, headed by industry leading experts and will focus on balance of plant construction in both the wind and solar sectors. It will draw on the capabilities of various other group disciplines to execute these projects. The renewable sector and industry de-carbonisation projects are expected to yield a number of opportunities.

Projects

The **Ivan Plats Headgear** project at the Platreef mine at Mokopane entails the construction of permanent civil and structural elements for the complete Platreef Number 2 shaft headgear — one of the largest headgears constructed in South Africa to date. The Civils Discipline has slipformed the headframe to a height of 103m above hitch level (or 79m above collar level). The outside dimensions of the headgear are 25m x 21m with 1m-thick walls.

The remaining 24m comprise 1 300 ton of structural steel and cladding (erected on a 4,5m thick concrete winder slab) resulting in a final height of 127m above hitch level. A 550EC-H Liebherr tower crane, with 40 ton lifting capacity, has been established to facilitate the installation of the heavier structural steel members — including some 3,6m deep plate girders, and some members that weigh more than 30 ton. The project is on schedule.

The two year cross-border **Zimplats SO_2 Abatement and Expansion Project** is being undertaken by the Civils Discipline for Zimplats (a member of the Implats Group) that owns and operates a smelter at its Selous Metallurgical Complex (SMC). The smelter located 9km north of Selous, Zimbabwe, and approximately 80km southwest of Harare, processes locally produced platinum-group metal-bearing concentrates in an electric arc furnace/Peirce-Smith converting process. The converter matte produced in the smelter is currently being transported to South Africa for further processing.

Zimplats is embarking on an SO_2 **Abatement** project to remove SO_2 from the furnace and converter off-gas, which is currently vented to the atmosphere via the existing plant stack. This SO_2 abatement facility is expected to utilise a Wet Gas Cleaning Plant followed by the Wet Gas Sulphuric Acid (WSA) plant to capture the SO_2 and produce concentrated sulphuric acid. In addition to the SO_2 abatement facility, Zimplats plans an **Expansion** to its current smelting capacity through the installation of an additional furnace, Peirce-Smith converters, and associated utilities.

The Civils Discipline scope of works comprise early works, earthworks, civil works, concrete works, infrastructure services, roads and stormwater and electrical installations for a range of mining infrastructure. This includes three multi-storey sub-stations, two concrete cooling towers, service, and pipe gantry foundations, a 180m-high concrete emission stack, new furnace and converter foundations, pump station and settling ponds, coal and silica storage, a warehouse, contractors laydown areas and a 400-man prefabricated accommodation camp and buildings.

The majority of the structures are being constructed conventionally while the new concrete emission stack will be constructed using the conical slipform methodology. The stack foundation was constructed conventionally with Econo-form panels and consisted of 1 400m^3 of ready-mix concrete, poured continuously over a 35-hour period. The 180m high concrete emission stack walls taper from a 16m diameter to 10m diameter at the top of the tower. The slipform construction is to commence in May 2023 and a 200EC-H Liebherr tower crane will be erected for pouring and lifting all tools and materials to the sliding deck. An Alimak hoist (with a capacity of 20 people) will be installed on the outside of the stack walls to provide access to the sliding platform. A further three 154 EC-H tower cranes are assisting with construction across the rest of the site. The project is on schedule.

The multidisciplinary **Mogalakwena Buffer Dam** project comprises a civil, mechanical, and electrical scope. The Inland Region's disciplines will undertake earthworks, liners, drains and concrete works, as well as construct a service road, pipelines, pump station, intake structure, and fencing.

The greenfield project encompasses clearing of the 27,4ha site footprint including removal of 383 000m^3 topsoil; 792 000m^3 bulk excavation and 325 000m^3 forming of embankments. The 240 000m^2 dam lining will comprise of 2mm HDPE dam lining, 1,5mm HDPE dam lining, a cuspated leakage detection layer and geosynthetic clay liner. Construction scope spans a pump station complete with a steel super structure roof and a new intake structure. Furthermore, the contract includes the supply, delivery and installation of pipes, fittings, valves, delivery pipelines (various diameters) and tying these into existing pipelines, as well as a "drainex" type pipe and composite sand and stone drainage structures, needed for subsoil drains.

To date, the topsoil stockpile has been removed from site and bulk earthworks have commenced.

The **Mareesburg TSF Phase 4** project, being undertaken by the Roads & Earthworks Discipline, is located about 40km south of Steelpoort in the Limpopo Province. It is the fourth phase of the Tailings Storage Facility project being undertaken by Stefanutti Stocks, with the scope of works on this contract including:

— Clearing the site footprint
— Removing topsoil
— Maintaining site stockpiles
— Forming the starter wall, deposition wall and stability bunds (earthworks)
— Excavating to form stormwater diversion trench and bunds, solution trench and drains
— Importing bedding material from the Phase 3 Mototolo operation
— Installing a 2mm HDPE dual-textured lining system
— Constructing concrete drop inlet structures to blanket drains, curtain drain outlet channel and footprint drains

The Mareesburg TSF Phase 4 project is still in the on-boarding phase, with actual works scheduled to commence in late April 2023.

The Oil & Gas Discipline was awarded the **Sasol NH3 Tank Replacement** located on the Sasol Bunsen site in Sasolburg. The project entails the construction of a new 8 800m^3 (6 000 ton) carbon steel, double-wall, low pressure cold storage tank for ammonia, and the balance of plant construction scope. This includes geotechnical, piling, tank construction, civil works, mechanical, piping, insulation, corrosion protection, and electrical and instrumentation to connect the new cold storage tank into Sasol's existing ammonia facility and process.

The method of construction — via a hook and grab jacking system — is a first of its kind for Sasol in South Africa. The specific design requirement will see the external tank and roof built first, followed by the inner tank. This erection sequence saw the Oil & Gas Discipline design a special transportation system that allows the outer tank and the plates for the inner tank shell to slide into position.

The project commenced in October 2022 and is approximately 20% complete.

Project name	**Duration** (months)	**Project value** (excl. VAT)	**Location** (by SA province or country)
SMC SO_2 Zimplats	27	R865m	Zimbabwe
Ivanplats Headgear	36	R649m	Limpopo
K0157 — Sishen Koketso Project	36	R613m	Northern Cape
Mareesburg Phase 4	18	R363m	Limpopo
Mogalakwena Buffer Dam	24	R330m	Limpopo
NH3 Tank and Balance of Plant	21	R268m	Free State

Sustainability matters

Skills development and training

The Inland Region met its skills development target through various initiatives, including:

- **Safety Cadet Development Programme:** The region recommenced this programme during the year, with a renewed focus on developing in-house health and safety officers.
- **In-service training:** Various training programmes, across all categories of employees, is facilitated by Stefanutti Stocks, to ensure employees are well equipped to deliver operational requirements.
- **Bursaries:** The region has an active bursary programme for engineers and quantity surveyors supporting students from various tertiary institutions across South Africa.
- **Go for Gold:** The group supports various students from the Go for Gold programme.

SHEQ

The region achieved a LTIFR of zero for the year. The focus will remain on proactive injury prevention through VFL and LE. The safety cadet programme will assist in developing a talented pool of safety officers well-versed in the group's approach to and implementation of safety standards.

Civils Discipline projects achieved:

- Ivanplats Headgear Construction: 238 689 LTI-free man-hours worked
- Sasol Cooling Tower Repairs: 848 769 LTI-free man-hours worked
- Rea Vaya BRT Stations: 518 061 LTI-free man-hours worked

Roads & Earthworks Discipline projects achieved:

- BRT Work Package 3: 520 034 LTI-free man-hours worked
- Mareesburg TSF Phase 3: 627 528 LTI-free man-hours worked
- Centane to Qholora Phase 2A: 288 149 LTI-free man-hours worked

The Oil & Gas Discipline was given recognition by its clients for working 100 000 LTI-free man-hours at its SOLCRA Line Stress and Vibration Phase 1, 2 and 3 — SEI&P Project.

Awards, accreditations and achievements

Awards

FEM Award: 2022 Health and Safety Award of Excellence: The Electrical & Instrumentation Discipline achieved 5th place in the Category Medium Risk Medium Employer.

Accreditations

Group certification was maintained for the relevant ISO management systems: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Achievements

The Inland Region achieved 20 000 000 LTI-free man-hours worked.

Operational reviews
Coastal

Highlights

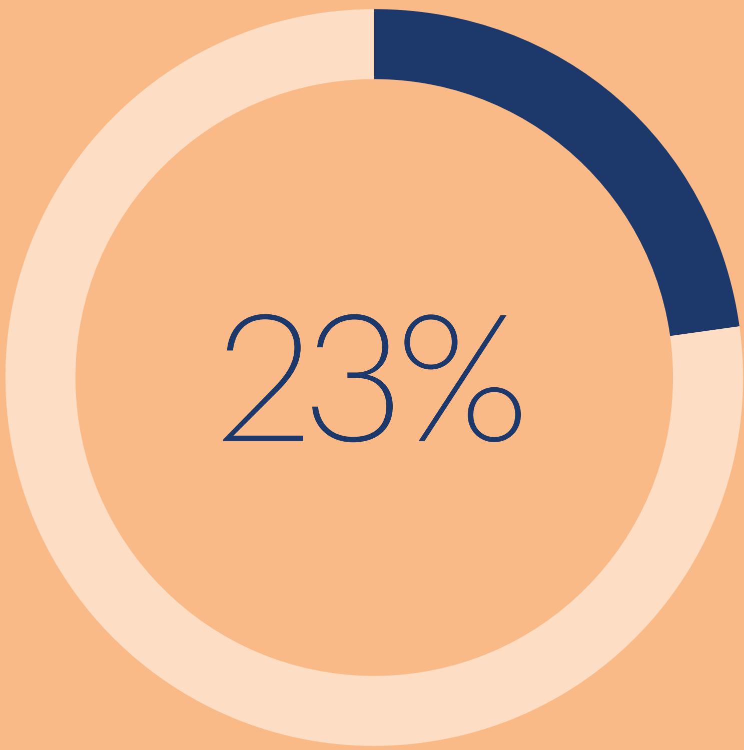
Order book
R2,1bn

Contract revenue
R1,4bn

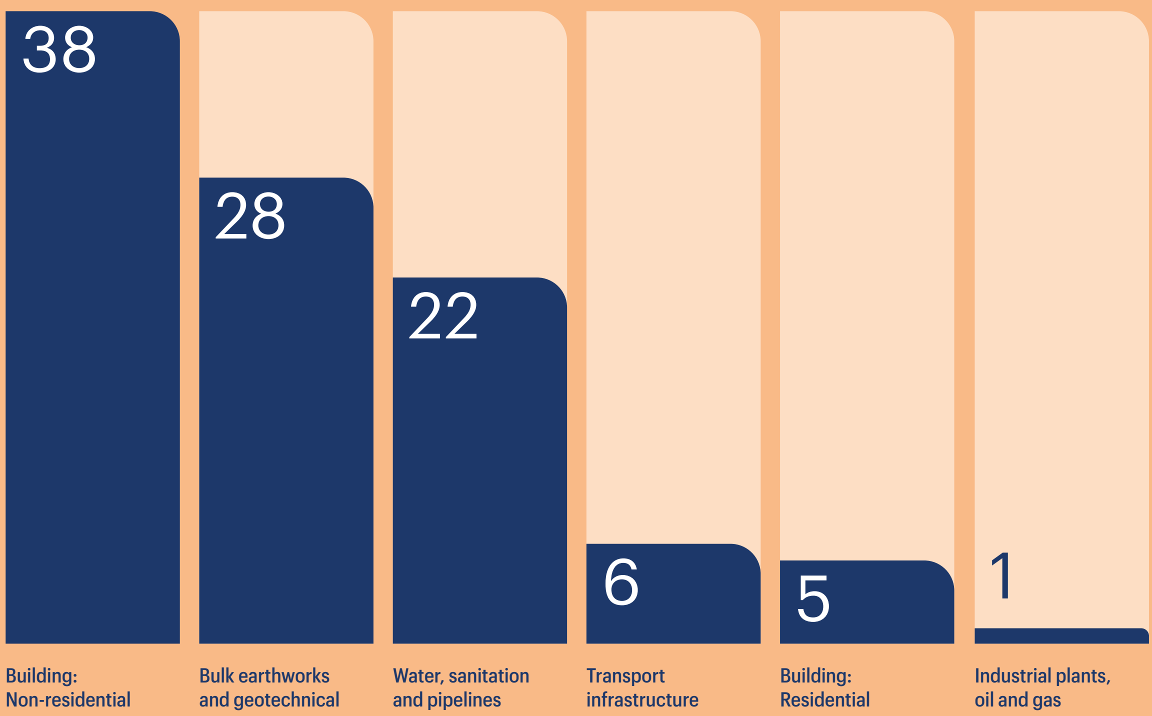
Operating profit
R5m

LTIFR
0,00

Percentage of group revenue



Turnover by sector (%)



Strategic focus

- Continue to integrate regional support services to improve efficiencies across the disciplines.
- Continue to minimise holding cost exposure, while maintaining capacity for future work and growth.
- Develop people/capacity by investing in top talent and talent acquisition process.
- Unlock additional margin in existing and new markets.
- Continued focus on client relationships.

Capabilities

Building

- Industrial and commercial buildings, including:
  - Warehousing
  - Production facilities
  - Distribution centres
  - Office accommodation
- Retail facilities
- Hospitality and leisure facilities
- Data centres
- Hospital and healthcare facilities
- Turnkey and alternate procurement, including design and build projects

Civils

- Water infrastructure, including:
  - Wastewater treatment works
  - Water treatment works
  - Reservoirs and dams
- Township/mixed-use development infrastructure, including:
  - Bulk earthworks
  - Bulk services
- Transport infrastructure construction, including roads and bridges (conventional, precast, incrementally launched, cable-stayed, balanced cantilever, etc.), rail infrastructure, container terminals and marine facilities, etc.
- Industrial civils and earthworks in live operational environments, including for the pulp/paper, sugar, and petrochemical sectors.

Performance

The floods in April and May 2022 had a severe impact on the Coastal Region's performance, with revenue of R1,4 billion and operating profit of R5 million. The Civils Discipline delivered a reasonable performance while a lacklustre building market impacted the Building Discipline.

Following the civil unrest in 2021, a number of investors exited the province while others adopted a "wait and see" approach. As a result, only a limited number of projects have come to market. The impact of the floods has been devastating to the KwaZulu-Natal province. While the Coastal Region has participated in a handful of rehabilitation (both unrest and flood-related) projects, the roll out of repair work contracts has been slower than anticipated. The region has the capability and capacity to participate in these projects, should the momentum pick up in the next financial year.

Service levels locally have returned to pre-COVID levels, however the region is experiencing logistical delays with imported products.

Outlook

The business environment in KwaZulu-Natal remains constrained and extremely competitive. The roll out of projects has been slow and major clients, such as SANRAL and Umgeni Water, have only recently begun awarding new projects. Prospects in the civils space look promising for the year ahead, and while the building industry remains constrained, there are positive signs of recovery.

Projects

Phase 4 Coegakop Biofiltration Plant — the largest biofiltration plant in South Africa — was completed for the Nelson Mandela Bay Municipality in early 2023. The full-service, multidisciplinary project, undertaken by the Coastal Region in consortium with PIC, entailed the design, manufacture, supply, delivery, installation, testing and commissioning of the civil, mechanical, and electrical infrastructure for this bulk water supply facility. The civil infrastructure encompassed the construction of new bulk water supply infrastructure, ground abstraction scheme, and a transformer building.

The new plant was designed for maximum abstraction capacity of 20ML/d of groundwater from five boreholes equipped with pumping systems. The raw groundwater from the CoegaKop Wellfield is fed to the water treatment plant (via interconnecting pipework) where it is disinfected using biological oxidation, iron filtration and manganese stabilisation. The project scope also included training the municipality's employees in the operation and maintenance of the plant.

The **SALTA Estate infrastructure package** project was completed in late 2022. This extremely fast track project for a 115,3ha mixed-use development project saw the region undertaking bulk earthworks for platforms, bulk sewer and storm water infrastructure, internal sewer connections, water reticulation, electrical reticulation, as well as the installation of service sleeves for data and fibre cables. Reinforced concrete and dry stack retaining walls were constructed, as well as various types of roads, including access, internal, lower ring and entrance roads were also completed as part of the scope.

The **Zandvliet Wastewater Treatment Work** was completed in November 2022. The region's scope of work on the expansion project (an upgrade to increase the capacity to 90Ml of sewage/day) included the construction of inlet works, screw-pump stations, primary settling tanks, a primary sludge pump station, a sludge dewatering building, a service water pump station, a waste activated sludge (WAS) pump station, sundry holding tanks (two primary sludge and two WAS), pipelines, access roads, as well as other minor services.

The project featured an extremely complicated inlet works (situated 10m below ground level and approximately 7m below the water table). This required staged dewatering and an oversized raft foundation (that comprised a 700m³ continuous concrete pour) to prevent the structure from "floating" once the dewatering rings were switched off post construction.

The premier **Bridge City Shopping Centre** development project comprised a complete reinstatement (following the civil unrest in July 2021) of an approximately 56 000m² shopping centre in KwaMashu, north of Durban. The entire internal footprint of the two retail levels (and a rooftop parking area) needed to be demolished and removed. The structural analysis indicated that significant structural rehabilitation works (to fire damaged columns, concrete beams and decks) was required, prior to the reconstruction of all internal services, wet-trades, shop fronts, ceilings, and floor finishes. The project completion had to be in time for the centre to be trade-ready for the 2023 Easter weekend.

Project name	**Duration** (months)	**Project value** (excl. VAT)	**Location** (by SA province)
Westown Square	23	R979m	KwaZulu-Natal
Bridge City Shopping Centre	15	R461m	KwaZulu-Natal
UW Lower Umkhomazi P1 Goodenough	48	R447m	KwaZulu-Natal
Kassier Road Upgrade Phases 1A & 1B	27	R353m	KwaZulu-Natal
Mpophomeni Wastewater Treatment works	45	R332m	KwaZulu-Natal

Sustainability matters

The region continued to raise awareness, understanding and tolerance for diversity by celebrating Heritage Day — during which employees showcase their cultures and origins through food and fashion.

Skills development and training

- **In-service training:** The region assisted four students with in-service training, with 50% of beneficiaries being black students.
- **Bursaries:** One full-time bursary and eight part-time bursaries, with 89% of beneficiaries being previously disadvantaged individuals (PDI).
- **Internships:** 15 post-graduate internships, with 100% of beneficiaries being PDI.
- **Apprenticeships:** Four mechanic apprenticeships, 100% of whom are PDI.
- **Mentorships:** Seven mentorships were active during the year, with all mentorships being provided to PDI.

SHEQ

The region achieved a LTIFR of zero, and a number of its contracts achieved safety milestones during the period under review. These include:

- Salta Estate Development: 1 000 000 LTI-free man-hours
- Mpophomeni Wastewater Treatment Works: 1 000 000 LTI-free man-hours worked
- Bridge City Shopping Centre Reinstatement: 850 000 LTI-free man-hours worked
- Coega Kop Biofiltration Plant: 500 000 LTI-free man-hours worked
- Proposed New Cotswold Fenns Residential Development Phase 2: 250 000 LTI-free man-hours worked

Environmental training initiatives included:

- Biodiversity training: Employees at the Westown Square, Lower Umkhomazi Goodenough and Kassier Road contracts participated in Water Sources and Wetlands Training.
- Waste management awareness was conducted on all of the Coastal Region's sites.
- Snake awareness training was conducted on all sites.

Accreditations and achievements

Accreditations

Group certification was maintained for the relevant ISO management systems: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The Zandvliet Wastewater Treatment Work (which was completed LTI-free (with 1,7 million man-hours worked), was one of the projects audited for the group's ISO 45000, 14000 and 9001 certifications.

Achievements

The Bridge City Shopping Centre Reinstatement Project was placed first in the Master Builders South Africa (MBSA) KZN Regional Occupational Health and Safety Competition and went on to achieve a first place at national level as well. The Plant & Formwork Yard placed first in the regional awards, and third at national level, while the Cotswold Fenns Residential Development Phase 2 achieved a Highly Commended in the regional awards.

Operational reviews
Western Cape

Highlights

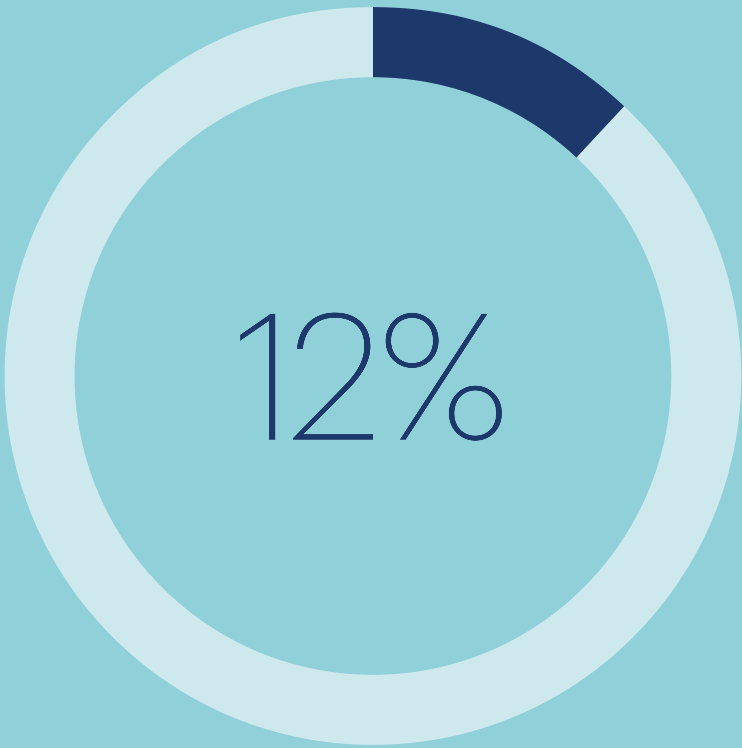
Order book
R621m

Contract revenue
R702m

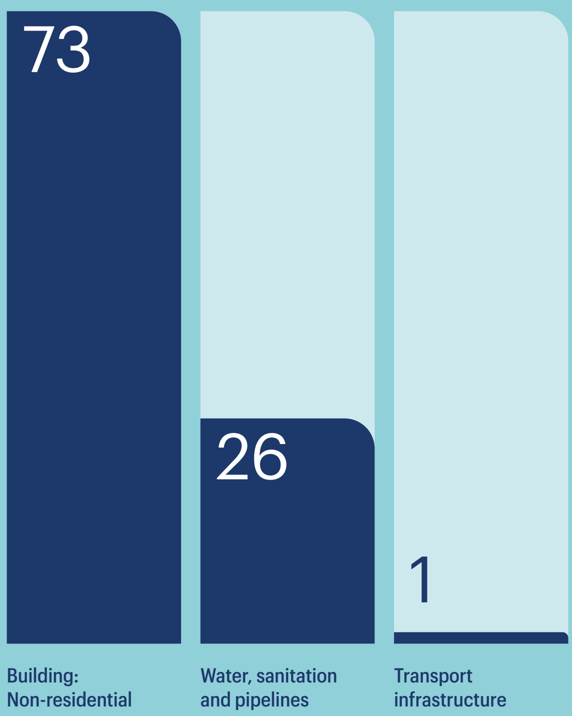
Operating profit
R30m

LTIFR
0,45

Percentage of group revenue



Turnover by sector (%)



Strategic focus

- Focus on client relationships.
- Drive innovation through the integration of 3D, 4D and 5D technologies.
- Expand capabilities by recruiting people with diverse skill sets.
- Increase awareness of one-stop, multidisciplinary offering.
- Improve on employee engagement survey scores.
- Drive behavioural change safety culture.

Capabilities

Building

Full traditional building capabilities, supported by an increased full-service offering including Mechanical, Electrical and Piping (MEP), design and build, project management and building information modelling (BIM).

- Data centres
- Industrial buildings
- Distribution centres
- Shopping centres
- Commercial buildings
- High-rise buildings
- Hotels
- Healthcare facilities
- Property development facilitation
- Walk-up construction (including schools, student residence, magistrate court, police station)
- Airports, terminals, and buildings
- Construction of buildings for the energy generation sector including:
  - Conventional buildings
  - Substations
  - Access control buildings
  - Workshops
  - Administration offices

Civils

Full traditional civil capabilities, supported by an increased full-service offering including MEP, design and build, project management and building information modelling (BIM).

- Effluent and water treatment works, including mechanical and electrical
- Energy infrastructure: renewable energy, high voltage (HV) power to site
- Concrete repairs
- Marine infrastructure

Performance

Western Cape's contract revenue reduced to R702 million (Feb 2022: R1,1 billion) with an operating profit of R30 million (Feb 2022: R54 million) due to delayed contract awards.

The Civils Discipline performed well, based on one project, which is also the first Civils Discipline project for the region. More growth and an improved performance within the discipline is anticipated going forward.

In addition to a loadshedding related slowdown of data centre builds for a repeat international client, the region experienced multiple project delays, including a three-month delay on a new data centre project, and a six-month delay on the CPT 061 HV project. However, while loadshedding has had an overarching negative impact on performance, it has also brought opportunities whereby clients are making energy supply provision independent of Eskom.

Many public sector projects have not yet come to fruition due to delays in investing in infrastructure (new and maintenance).

Outlook

While contracts are taking longer to be awarded, the Western Cape Region began the new financial year with a strong order book due to a noticeable upturn in the number of tenders and opportunities being awarded. Over and above the traditional tender model, it expects to be awarded a share of negotiated data centre related work by a repeat international client, as well as other opportunities within the Western Cape Framework Agreement contract.

Increased competition in the Western Cape is being experienced as contractors from other regions plagued by construction mafia interference, are beginning to tender on the province's projects.

Opportunities

- The Western Cape Framework Agreement is expected to yield a number of contract opportunities as the province invests in infrastructure maintenance and new build projects.
- The current trend of migration from other provinces to the Western Cape should result in increased construction opportunities within warehousing, health facilities, and the housing sector.

Projects

The City of Cape Town's **Cape Flats Managed Aquifer Recharge Project** in Strandfontein is the region's first civils project. The project entails the construction of a 60ML/day water purification plant. The facility is designed to take treated effluent from the existing Strandfontein sewage works, purify the effluent to potable water standards, and then pump it back into the aquifer.

The project encompasses the construction of media sand filters, ozone contact tanks, BAC filters, pump stations (raw water and final water), an administration building, interconnecting pipework and plant roadworks.

Associated quantities for the water infrastructure project are 260 000m^3 of earthworks; 750mm diameter CFA piles; 18 000m^3 of structural concrete; 55 000m^2 of formwork; and approximately 8km of pipework. The project commenced in November 2021 and is scheduled for completion in July 2024.

The region successfully completed the **CPT 060 HV** step down project in December 2022 for a major international client in the Western Cape. The scope of works included the design and build of a new 132kV client-owned high-voltage (HV) substation (that converts 132kV to 22kV), including overhead line and an Eskom utility substation that would meet the power requirements for an existing data centre project. The project scope included underground cables that connect the client and utility substations, an optical ground wire replacement from various utility substations along the supply route to cater for the communication upgrade and fault levels, all environmental management, permitting and ownership transfers, as well as liaison with Eskom regarding shutdowns for upgrade works. The project achieved high praise from the utility provider.

Data Centre Phase 4, **CPT 060 ROM4**, was successfully delivered to a repeat international client. The project consisted of a complex electrical, mechanical and fire detection installation, within a tight 14-week time frame. A motivated team performed exceptionally well, using innovative ideas including modularisation to achieve the project milestones. To allow pre-manufacturing for the piping components and electrical cable tray sections, Stefanutti Stocks's internal BIM modelling and MEP teams coordinated the works ahead of time, and this modelling coordination was instrumental in the on-programme delivery of the project.

The **iThemba Labs**, for which the region has constructed new infrastructure for a new 70MeV cyclotron, is currently in final commissioning stage. Once operational, the cyclotron will produce radiopharmaceuticals for diagnosing and treating critical illnesses worldwide. The region's multidisciplinary construction scope included new electrical and mechanical installations, as well as the construction of concrete structures within the existing facility.

Notable activities on the iThemba Labs project included:

- Precision core drilling through existing concrete vault walls, up to 8m long and at specified angles.
- Construction of new reinforced concrete walls up to 3m thick.
- Placement of radial sleeves within concrete elements.
- Installation of baseplates (within 0,5mm tolerances), for the 140 ton heavy cyclotron.
- Installation and commissioning (within radioactive areas) of processed gases and target cooling systems.

ADC CPT1 entailed the construction of three new data halls, including the required mechanical and electrical infrastructure. The halls were built inside an existing operational facility, located within a 30-year-old decommissioned textile factory. The brownfield nature of this project added many challenges and required ongoing innovative problem solving, as detailed below.

- BIM modelers ensured the coordination and installation of the new services were executed as planned.
- Extensive structural improvements — including carbon fibre reinforcement and new overlaid concrete floors — enhanced the existing structure.
- 45 ton generators were rigged over existing plant.
- All required equipment, including the 3,5m-long HVAC equipment, had to be rigged through and via existing passages and stairs that provide access to the data halls.

Project name	**Duration** (months)	**Project value** (excl. VAT)	**Location** (by SA province)
Newlands Cricket Ground (NCG)	60	R550m	Western Cape
Cape Flats Water Treatment works	28	R360m	Western Cape
ADC CPT 1.3/5/6	8	R246m	Western Cape
iThemba Labs — Upgrade of 70MeV Cyclotron	24	R220m	Western Cape
CPT060 High Voltage	15	R172m	Western Cape
CPT061 High Voltage	18	R147m	Western Cape
AECI Paardevlei Shopping Centre	12	R145m	Western Cape
Drakenstein Paarl Shopping Centre	12	R120m	Western Cape
CPT060 Phase 3B	6	R108m	Western Cape

Sustainability matters

As part of the company's Diversity Awareness Drive and to mark Heritage Day, the region arranged a Heritage Day cook-off where teams of employees shared traditional dishes and displays unique to their different cultures. The highly anticipated and successful event offered a great platform for employees to proudly display their heritage and creativity.

Skills development and training

The Western Cape Region once again overachieved on its skills development target, demonstrating its commitment to the development of its most important asset — its people.

Initiatives to secure the region's future talent pipeline include:

- **In-service training:** The region maintains a long-standing relationship with the Cape Peninsula University of Technology (CPUT) and assists students with the completion of their experimental learning. Three students completed their six-month internship with the region, and it aims to assist university students with holiday placements where possible.
- **Bursaries**: Eight full-time bursaries and two part-time bursaries were in place for the reporting period, with 100% of beneficiaries being black students. Full-time bursars are split with 50% at CPUT and the remaining 50% attend other universities.
- **Mentorships:** Five mentorships were active during the year, with 80% of mentorships provided being to PDI.
- **Go for Gold:** The region has maintained its long-term relationship with Go for Gold with three students completing their gap year with the company. All students are PDI, and six of the region's bursars stem from the Go for Gold programme.
- The region participated in **disability awareness training** which focused on understanding disability, and how people with disabilities can be incorporated into the construction workplace. Training was conducted by the Western Cape Association for Persons with Disabilities. A future focus will be spreading the knowledge to all regional employees.

Initiatives

The **improved employee assistance programme** (which now includes hourly-paid permanent employees) was launched and rolled out. Formal presentations were conducted with all staff, to ensure the benefits of this free programme were properly communicated.

SHEQ

The year delivered both SHEQ highs and lows for the region. The Cape Flats Managed Aquifer Recharge Project won the Regional Master Builders Safety Competition in its category, and was placed second in the national competition. Unfortunately, a number of incidents affected the region's LTIFR, increasing it to 0,45 from zero in the prior year. The region is committed to enhancing behavioural change towards safety across its teams and projects. Its focus is on improving the safety behaviours of all team members and subcontractors, with a focus on achieving zero harm.

An improved environmental management plan for the Western Cape has been rolled out to all sites. Environmental achievements include ensuring that all sites practice green initiatives, with a focus on recycling and using accredited waste-removers to enable footprint traceability.

Awards, accreditations and achievements

Awards

The region received a 2022 Fulton Award commendation for the Newlands Cricket Ground (NCG) project.

Accreditations

Group certification was maintained for the relevant ISO management systems: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018.

Achievements

All active sites (iThemba Labs, Cape Flats Managed Aquifer Recharge Project, CPT060 Substation) and the region's Plant Yard obtained a five-star grading from MBSA Western Cape. This resulted in a five-star grading for the Western Cape Region.

The Cape Flats Managed Aquifer Recharge Project was placed first in the MBSA Western Cape Regional Occupational Health and Safety Competition and went on to achieve a second place at national level. The Plant Yard and the iThemba Labs project placed second in the regional awards.

Operational reviews
Africa

Highlights

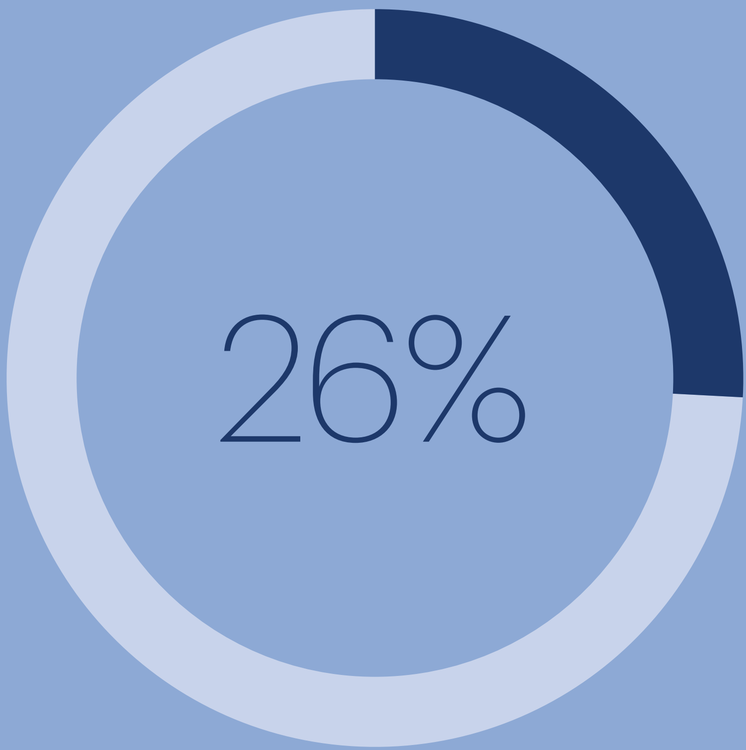
Order book
R579m

Contract revenue
R1,6bn

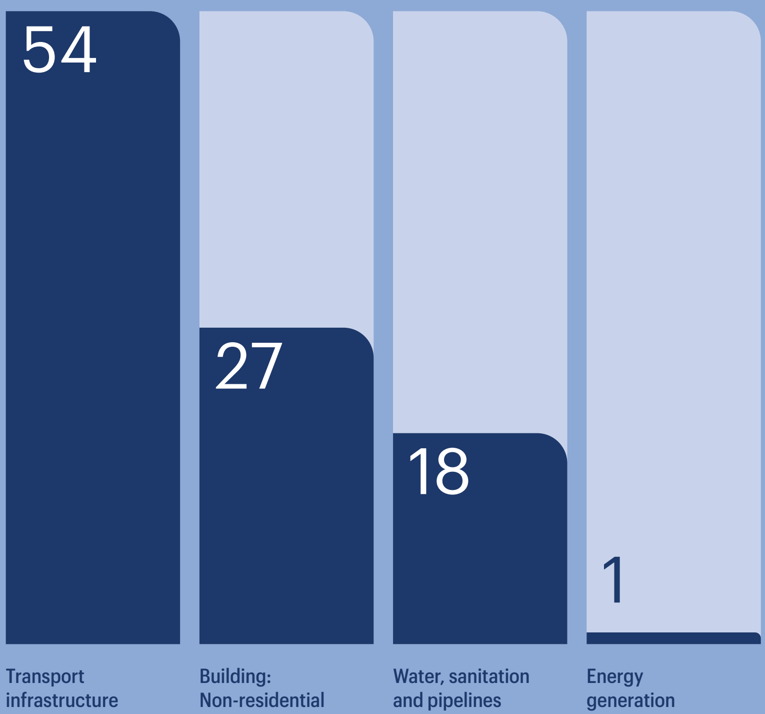
Operating profit
R74m

LTIFR
0,07

Percentage of group revenue



Turnover by sector (%)



Strategic focus

- Secure balanced order book of high-quality projects.
- Remain focused in current territories.
- Target mining sector opportunities in new territories
- Build strategic local partnerships.
- Build capacity.

Capabilities

General Contracting

The countries included within the Africa Region (namely Botswana, Eswatini, Malawi, Zambia) operate as general contractors, offering:

- Civil works including construction of water treatment works, reservoirs, bridges, and dams
- Building construction including airports and commercial buildings, industrial buildings spanning both light (such as factory shells) and heavy industrial (e.g., sugar mill infrastructure) facilities
- Agricultural land development
- Bulk earthworks
- Road construction and rehabilitation contracts
- Design/construct/finance capabilities

In co-operation with the group's disciplines, the region can offer clients the full spectrum of the group's capabilities which include Renewables, Mining Services, Mechanical, Electrical & Instrumentation, and Oil & Gas.

Performance

The Africa Region reported contract revenue of R1,6 billion (Feb 2022: R1,6 billion) with an operating profit of R74 million (restated Feb 2022: R88 million). The region was able to maintain a low overhead structure with no holding or retrenchment cost in Botswana, Eswatini, and Zambia.

Botswana experienced a difficult year with a predominantly Building Discipline order book at tight margins. Significant work is being done with the operation's local partner to further strengthen its position in the market and achieve a more balanced order book going forward.

Eswatini delivered high-quality, high-profile projects and continues to foster long-term relationships with its client-base.

Zambia delivered satisfactory results on the back of its landmark Livingstone Hotel, which was delivered ahead of time and with zero safety incidents. The operation has also made inroads into the mining sector with a strategic focus on Malawi.

Significant inroads are also being made into operational readiness within other sub-Saharan African countries, that could enable group expansion opportunities.

Outlook

The Africa Region begins the new financial year with a lower than average order book. Large scale investment and opportunities have been slow to come to market, mainly due to the cyclical nature of elections, with most countries either about to go through, or having just gone through elections. Chinese engagement within the public sector continues to drive margins down and the region has strategically focused on private sector clients, in particular seeking mining opportunities. Extended delays on awards or cancellation of projects continues to frustrate and affect the continuity of the order book, with projects originally anticipated to be awarded before the end of the 2023 financial year now only expected to be awarded in the early stages of the 2024 financial year.

Nonetheless, based on extensive market and territory intelligence the region is optimistic about securing public and private sector opportunities.

Opportunities

- Multidisciplinary mining opportunities in the region.
- Leveraging relationships with construction partners in current territories.
- Exploring new markets/sectors in cross-border territories.

Projects

The prestigious **Bank of Botswana Redevelopment** contract Phase 1 and 2 comprised a combination of demolition of existing buildings, refurbishment and/or construction of new office accommodation and infrastructure. These operations saw Stefanutti Stocks Botswana and its subcontracting teams cover all the associated wet trades, dry finishing trades and specialist MEP installations.

Phase 1 scope included the construction of the following:

- A five-storey building (Block C) that encompassed office spaces, two sets of three-storey link bridges, conference facilities and a one-of-a-kind data centre.
- A two-storey building (Block D — previously the old banking hall) including a staff canteen with industrial kitchen facilities.
- A four-storey building (Block E) including offices, vaults, and parking levels.
- Associated ancillary supporting building structures such as the guardhouse, energy centre and external works.

Phase 1 handover in late 2021 saw the client relocating operations to the Phase 1 completed buildings, thus freeing up Phase 2 structures. Phase 2 construction works extend across the office spaces, link bridges and conference facilities within two five-storey blocks (Block A and B). The scope included the construction of the New Auditorium Facility, the Old Auditorium Facility, the conference lobby adjoining the auditoria, a seven-storey volume atrium, as well ancillary filtration building, the north guardhouse, “meet me” room and storerooms.

Stefanutti Stocks Eswatini recently completed the landmark **Manzini Golf Course Interchange** a project for Ministry of Public Works & Transport. The MR3 Highway has been recorded to be one of the busiest highways in the Kingdom of Eswatini and links Mozambique and South Africa’s Ngwenya Border posts. The new interchange improves the connectivity between the MR3 Road and the newly established MR3 Highway (from Mbadlane to Manzini) with the bypass to the Matsapha-Mbabane Highway and the Manzini Traffic Circle at the Manzini Club. This ambitious undertaking was constructed to streamline traffic flow and reduce congestion in the area, creating a more efficient and safe transportation system for road users.

The scope of work on the project included construction of:

- 600m dual carriage freeway that connects the existing central distributor road and the recently constructed MR3, Manzini — Mbadlane Main Road.
- 10 feeder roads, totalling 3 667km in length.
- Seven box culverts and relevant drainage infrastructure.
- Three reinforced concrete retaining walls.
- Two bridges and one pedestrian bridge.

The Eswatini operation is currently undertaking two agricultural projects, the 494ha **LUSIP II Lot 4(a)** and 531,9ha **Lot 6(a)**, situated in the Lubombo Region of the Kingdom of Eswatini in an area called Big Bend. The LUSIP (or Lower Usuthu Smallholders Irrigation Project II) projects are being undertaken for ESWADE (Eswatini Water & Agricultural Development Enterprise) and include bush clearing, land preparation, supply, and installation of irrigation systems, testing and commissioning. Both projects include the installation of centre pivots, drip installation for sugarcane fields and bulk crops, microjets for banana fields, cluster houses, haulage roads, pipeline installations as well as electrical installations. Both projects are expected to be complete by late 2023.

Stefanutti Stocks Zambia is constructing a commercial cold store for Imperial’s Namibian Deep Catch Group in Lusaka’s York Industrial Park (previously constructed for Improvon by Stefanutti Stocks). Deep Catch Group is a repeat client, for whom Stefanutti Stocks previously designed and constructed a commercial cold store facility in Cape Town, South Africa. The **Lusaka Commercial Cold Store (LCCS)** will be a first of its kind in Zambia, and will provide logistical cold storage solutions for local meat, poultry and fish producers as well as for hospitality and retail businesses.

The total development consists of a main bulk freezer area, a chiller store, a dry goods store, a receiving and dispatch area for pallet handling, a processing area for foods, a double-storey office, plant yard, security office, entry gate and six loading docks. The facility is designed for Zambia’s fluctuating temperature which varies from an outside ambient temperature of 40°C to an inside temperatures of -20°C. 200mm thick ISO panels will seal the freezer room envelope to maintain temperatures through efficient cooling methods. Special concrete mixes were designed to accommodate/deal with temperature ranges.

Once completed the LCCS will be able to accommodate 5 000 pallets across its freezer, chiller storage and dry store. The facility will be handed over and fully operational in late 2023.

Project name	Duration (months)	Project value (excl. VAT)	Location (by country)
Mosi-Oa-Tunya Hotel Resort	23	R1 058m	Zambia
HQ Redevelopment	51	R857m	Botswana
Manzini Interchange	24	R417m	Eswatini
Lusip II Offtakes 1,2 and 3	22	R301m	Eswatini
Lusip II Offtakes 4 and 5	18	R234m	Eswatini
CONCO Warehouse	20	R142m	Eswatini
Lusaka Cold Storage	12	R142m	Zambia
FNB Head Office	16	R131m	Eswatini

Sustainability matters

Skills development and training

Over 1 200 skilled and semi-skilled employees underwent training during the period under review. The training initiatives ranged from back-to-basics SHEQ training, as well as on-site skill development. In particular, the Livingstone project in Zambia saw 200 members of the local community upskilled in building-related trades.

Other initiatives to secure the region's future talent pipeline include in-service training, bursaries, and mentorships.

Socio-economic development initiatives

During the period under review, several activities were engaged in, including:

- Grading of access roads for communities;
- Construction and handover of two houses for elderly people;
- Establishment of a mobile clinic in Mangwaneni catering for the local and surrounding areas;
- Creation of a garden for the Mangwaneni Care Point;
- Donation of school shoes and printers to primary schools;
- Donation of water tanks, masks, gloves, and desks to schools;
- Construction of ablution facilities;
- Donations towards various initiatives, including a partnership with Municipal Council for the construction of a soup kitchen; and
- School fees for a few orphaned and vulnerable children, tree planting in towns and schools, as well as participation in clean-up campaigns.

Employee wellness

The regions' annual employee wellness programmes offer the following services to employees:

- HIV testing and counselling
- Antiretroviral therapy (ART) initiation and refills
- TB screening
- Pre-Exposure Prophylaxis (PrEP) initiation and refills
- Visual inspection with acetic acid (VIA) cervical cancer screening
- Vision testing and distribution of reading glasses
- COVID-19 screening and testing
- Non-communicable disease screening (blood pressure, diabetes and body mass index)
- Doctor consultation and pharmacy

SHEQ

- The Botswana operation achieved 6,5 million LTI-free man-hours worked.
- The Eswatini Operation achieved 1,0-million LTI-free man-hours worked.
- The Zambia Operation achieved 8,9 LTI-free man-hours worked.

Awards, accreditations and achievements

Awards

Stefanutti Stocks Eswatini received the 2021 and 2022 Timvelo Award for Biodiversity offset for Construction.

Accreditations

Group certification was maintained for the relevant ISO management systems: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. The HQ Redevelopment contract was one of the projects audited for the group's ISO certifications.

Achievements

- Botswana's HQ Redevelopment site achieved the milestone of 2,5 million LTI-free man-hours worked.
- Manzini Golf Course Interchange site in Eswatini achieved 772 569 LTI-free man-hours worked.
- Mosi-ao-Tunya Hotel Project Livingstone achieved 2,3 million LTI-free man-hours worked.

Board of Directors

Zanele Matlala (59)

Independent non-executive chairman

Qualifications: BCom, BCompt (Hons), CA(SA), Advanced Management Programme (Insead)

Appointed: February 2012

Length of service: 11 years

Stefanutti Stocks board committee memberships: Board Chairman, NOMCO Chairman, REMCO member

External board committee memberships: Executive director Merafe Resources Limited (CEO), Non-executive director of RAC Limited, Dipula Income Fund and Royal Bafokeng Platinum Limited

Skills and experience: CEO of Merafe Resources Limited (June 2012). CFO of Merafe Resources Limited (October 2010 to May 2012). Extensive financial services experience as CFO and Group Financial Director of Kagiso Trust Investments and Executive Manager: Private Sector Investments of the Development Bank of Southern Africa. Various positions at the Industrial Development Corporation, including heading the Wholesale Venture Capital Funds.

Howard Craig (63)

Independent non-executive

Qualifications: BSc (Civil Engineering), GDE

Appointed: April 2015

Length of service: eight years

Stefanutti Stocks board committee memberships: REMCO Chairman, NOMCO member, S&E member and ARCO member

External board committee memberships: Director and Chairman, member of ARCO and Governance Committees of the PPP Group (Mauritius)

Skills and experience: Technical and Managing Director at Fraser Alexander Tailings (1990 to 2000). Held various senior positions at Sasol (2000 to 2009). Chief Executive of Rand Refinery (2009 to 2014). Serves on the boards of various private companies. Promotes various infrastructural and industrial projects across Africa.

Bharti Harie (52)

Independent non-executive

Qualifications: BA, LLM

Appointed: April 2018

Length of service: five years

Stefanutti Stocks board committee memberships: ARCO Chairman, NOMCO member and REMCO member

External board committee memberships: Ascendis Health Limited, St Davids Marist Inanda, Bell Equipment Sales South Africa (Pty) Ltd, Bell Equipment Company South Africa (Pty) Ltd, EOH Holdings Limited and Lenmed Investments Limited

Skills and experience: Previously spent 14 years at the Industrial Development Corporation of South Africa as head of the Corporate Funding and International Finance departments.

Previous directorships at Bell Equipment Limited, Mineworkers Investment Company, Ethekwini Heart Hospital and Charities Aid Foundation.

Busisiwe Silwanyana (50)

Independent non-executive

Qualifications: BCom (Hons), CA(SA), MBA

Appointed: April 2018

Length of service: five years

Stefanutti Stocks board committee memberships: S&E Chairman, ARCO member

External board committee memberships: YeboYethu (RF) Limited, YeboYethu Investment Company (RF) (Pty) Limited, Finbond Mutual Bank, AVI Limited

Skills and experience: Executive Director of Acendore LSB (Pty) Ltd. Spent 15 years in banking across both Corporate and Investment Banking and Business Banking divisions. Initially spent time at ABSA Corporate & Investment Banking. Subsequently joined Standard Bank Group's Corporate & Investment Banking, spending about 10 years across the Johannesburg and United Kingdom offices with responsibilities in Structured Finance, serving as an executive.

Over a four-year tenure at Standard Bank Group's Business Banking, held a number of senior positions, was an executive heading the Leading business, the Mid-corporate, Medium-enterprises and Franchising segments. Then joined Royal Philips NV Africa in Johannesburg, spent three years heading Philips Capital business covering Africa. Previously served as a member of the SAICA Education Committee and as director on the board of SAICA's Thuthuka Education Upliftment Bursary Fund.

Russell Crawford (59)*

Chief Executive Officer

Qualifications: National Higher Diploma Civil Engineering

Appointed: August 2019

Length of service: three years

Stefanutti Stocks board committee memberships: S&E member and attends meetings of all other board committees by invitation

Skills and experience: Over 32 years' experience in the civil engineering construction industry. Joined the group in 1990 as a site agent. Appointed Managing Director of the Roads, Pipelines and Mining Services Business Unit of Stefanutti Stocks and joined the EXCO in May 2016. Appointed as Business Unit Managing Director for Construction & Mining (2018 to 11 August 2019).

Yolanda du Plessis (50)*

Chief Financial Officer

Qualifications: BCompt (Hons), CA(SA), Post Graduate Diploma: International Tax

Appointed: June 2021

Length of service: two years

Stefanutti Stocks board committee memberships: Attends meetings of all board committees by invitation

Skills and experience: Qualified as chartered accountant in 2006. Over 20 years' experience in statutory reporting, audit, corporate governance and sustainability matters as well as tax. Joined Stocks Building Africa Proprietary Limited in 2007 and was appointed in 2008 as Group Financial Manager until 31 May 2021.

*Member of the Executive Committee

Executive Committee

Derek du Plessis (65)

Managing Director: Coastal Region

Qualifications: BCom Bus Admin

Appointed: September 2018

Skills and experience: Over 41 years' experience in the civil engineering construction industry. Joined the group in 2003 as General Manager in Eswatini (Swaziland). Appointed as director in Eswatini 2006. Appointed Managing Director of the Eswatini group in 2009. Appointed as SADC Managing Director in January 2014 and as the Construction & Mining Managing Director on 1 September 2018 and joined the EXCO on the same date. Derek was appointed as Managing Director of the Coastal Region in January 2022.

Shaun White (50)

Managing Director: Africa Region

Qualifications: National Higher Diploma Civil Engineering

Appointed: March 2020

Skills and experience: Over 29 years' experience in the civil engineering construction industry. Started career with Murray & Roberts (10 years) before working in Ireland (six years). Joined the group in 2006 as Contracts Manager. Appointed director in Eswatini 2012. Appointed Managing Director of the Eswatini group in 2016. Appointed as SADC Managing Director in September 2018 and as the Africa Managing Director on 1 March 2020.

Eric Wisse (55)

Managing Director: Inland Region

Qualifications: M.Eng Civil Engineering, Pr.Eng

Appointed: January 2022

Skills and experience: Eric has over 30 years' experience in the civil engineering construction industry during which he has worked on a broad range of large civil construction projects in South Africa and neighbouring countries. He joined the Stefanutti Stocks group in 2020 as Divisional Managing Director for the Roads & Earthworks Discipline. In January 2022, Eric was appointed as Managing Director of the Stefanutti Stocks Inland Region and joined the EXCO at the same time.

Mauro Donato (57)

Managing Director: Western Cape Region

Qualifications: BTech Civil Engineering

Appointed: January 2022

Skills and experience: Mauro has over 30 years' experience in the construction industry. He joined the Stefanutti Stocks group in 2001 as Contracts Manager in the Western Cape and became a Contracts Director in 2004. He has worked on a number of high-profile projects across the province and was promoted to General Manager of Stefanutti Stocks Western Cape in 2012, and appointed as Managing Director in 2016. Mauro was appointed to the EXCO in January 2022.

Mike Sikhakhane (57)

Group Human Resources Director

Qualifications: BSocSc (Hons), Programme for Management Development

Appointed: January 2014

Stefanutti Stocks board committee memberships: S&E member and attends meetings of REMCO by invitation

Skills and experience: Over 30 years' human resources experience. Five and a half years with the PG Group as Group Human Resources Director. 11 years in various divisions of Nampak as Divisional/Cluster Human Resources Director. Appointed Group Human Resources Director in January 2014 and joined the EXCO during that year.

Corporate governance report

Chief Executive Officer

Board of directors as at 19 June 2023

Members: ZJ Matlala (Chairman), HJ Craig, B Harie, BP Silwanyana, RW Crawford (CEO), Y du Plessis (CFO)
Annual meetings: 4 scheduled meetings
The board's duties are summarised below and in the board charter, as set out on page 51.

Executive Committee

Members:
RW Crawford
Y du Plessis
M Sikhakhane
D du Plessis
SE White
E Wisse
M Donato

Annual meetings:
11

Regular invitees:
A Cocciante, H Jacobs

Duties:
Assists the CEO with:

Recommending policies and strategies and monitoring the implementation thereof

Managing all executive management business

Being responsible for all strategic matters not expressly reserved for the board, including operational matters such as the coordination, management and monitoring of resources

Reviewing risks affecting the achievement of the group's objectives

Remuneration and Nominations Committees

REMCO

Members:
HJ Craig (Chairman)
B Harie
ZJ Matlala

Annual meetings:
3 (combined with NOMCO)

Regular invitees:
CEO, CFO, Human Resources Director

Duties:
Developing and overseeing the group's remuneration philosophy and policy

Establishing principles of remuneration

Determining the remuneration of executive directors and executives

Considering, reviewing and approving the group's policy on executive remuneration and communicating to stakeholders

NOMCO

Members:
ZJ Matlala (Chairman)
HJ Craig
B Harie

Annual meetings:
3 (combined with REMCO)

Regular invitees:
CEO, CFO, Human Resources Director

Duties:
Assessing the composition of the board and any deficiencies

Identifying and recommending nominees to the board

Reviewing directors' independence annually

Approving the Board Diversity Policy

Establishing directors standing for re-election

Reviewing and approving the role of the Chairman

Ensuring adequate succession plans are in place for the CEO, CFO and non-executive directors

Audit, Governance and Risk Committee

Members:
B Harie (Chairman)
BP Silwanyana
HJ Craig

Annual meetings:
4

Regular invitees:
Board Chairman, CEO, CFO, Group Risk Officer, Financial Manager, internal auditors, external auditors

Duties:
Performing statutory responsibilities in terms of the Companies Act

Advising and submitting recommendations on the group's financial reporting, internal financial controls, external and internal audit functions, statutory and regulatory compliance

Monitoring adequacy of financial controls and reporting

Reviewing audit plans and ensuring adherence by external and internal auditors

Reviewing the independence of the external auditors

Assessing the reliability and quality of the audit

Ensuring financial reporting complies with IFRS and the Companies Act

Nominating auditors for appointment at the AGM

Monitoring the company's appetite for risk and concomitant controls required

Monitoring the governance of information and technology

Social and Ethics Committee

Members:
BP Silwanyana (Chairman)
HJ Craig
RW Crawford
M Sikhakhane

Annual meetings:
3

Regular invitees:
CFO, Group Risk Officer, Financial Manager

Duties:
Monitoring and ensuring the company's compliance with section 72 of the Companies Act, read in conjunction with regulation 43

Monitoring the group's activities in terms of relevant legislation, other legal requirements or any industry or sector codes of best practice concerning: social and economic development, good corporate governance, labour and employment, consumer relationships, the environment as well as health and safety

Regional management committees

Operational committees

The Stefanutti Stocks board of directors and executive management are responsible for ensuring that the group applies and adheres to the principles of good corporate governance.

While the board is ultimately responsible for the group's performance, it is essential to delegate authority to the board committees. The board recognises that delegating authority does not absolve it nor its directors in any way from the duty to execute their obligations and responsibilities to the group.

Application of King IV

Stefanutti Stocks endorses and supports the four governance outcomes, as set out in the King IV Report on Corporate Governance for South Africa, 2016 (King IV), namely: ethical culture, good performance, effective control and legitimacy. As discussed in the sections that follow, the group continually assesses and reviews its application of the King IV principles, which is discussed in the sections that follow.

Leadership

Principle 1: The governing body should lead ethically and effectively.

The board recognises that the group's strategy, risk, performance, and ultimately its sustainability, are inseparable from one another. To operate within acceptable risk parameters, create stakeholder value and maintain sustainable growth, the group and its businesses subscribe to principles of good corporate governance.

The group's formally adopted board charter sets out the board's responsibilities and terms of reference and is reviewed on an annual basis. As the board is accountable to shareholders, the charter ensures that the directors maintain effective control over the strategic, financial and compliance matters of the group.

The board exercises good judgment, strong leadership and acts with integrity, to better position the group for long-term sustainability. Further, all board members and employees must align with the group's code of business ethics and conduct.

Performance evaluations of the board and committees are conducted every two years, which is in accordance with King IV.

An internal performance assessment was conducted in November 2022. Overall, the outcome of the evaluation in respect of the board and committees was positive with only minor areas for improvement.

To ensure that board members can make objective, informed decisions and discharge their responsibilities effectively, all directors are provided with all necessary information, including a detailed board pack. The company's MOI makes allowance for decisions to be taken between board meetings by way of written resolution, as and when necessary.

Matters of strategy, performance monitoring and governance, among others, are the focus of the board's agendas and meeting structures. At the board's annual budget meetings, the group's direction and forecasted performance is discussed. This helps to guide the development of the company's strategy by reviewing all key group policies, which are approved either at a sub-committee or board level. At each board meeting, the board approves the budgets, and monitors performance against these budgets. Remedial action is taken where necessary.

Conflicts of interest

All directors are required to notify and disclose their conflicts of interest to the company as a standard agenda item at each board meeting. Post 28 February 2023 to date, there have been no material changes to the directors' interests.

Organisational ethics

Principle 2: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.

Code of business ethics and conduct

The standards of integrity, ethics and professional behaviour by which the group must abide are contained in the group's code of business ethics and conduct. The manner in which its stakeholders must be treated, including clients, business partners, suppliers, government and communities, is also described in the code. These areas remain a key focus area for the group, both in the current and future period.

ARCO delegates and manages the implementation and execution of codes of conduct and ethics policies. These are underpinned by the group's values and can be found on page 2. The group as a whole subscribes to the code, which is continually reviewed to ensure that it meets operational requirements and forms a vital element of the group's employment policies and procedures. Available on the group's intranet as well as on the group's website, is a summary of the code of business ethics and conduct.

To align with the code, all employees are required to act with openness, honesty and integrity in their dealings with stakeholders. Employees are also required to practise the basic human rights of fairness, dignity, privacy and respect, and interact with each other in a manner that upholds and protects the good reputation of the company.

No unfair or unethical business practices are permitted in the conduct of its business and the group follows a zero-tolerance approach. To guarantee the anonymity of the complainant, the group's whistleblowing facility is administered by an external party.

The group's internal and external audit functions can also detect unethical behaviour. These reports are reviewed by the Group Risk Officer and Group Internal Audit Manager and summarised reports are submitted to the ARCO for consideration.

During the year, as far as the group is aware, there have been no significant breaches of laws and/or regulations, nor have there been any material fines paid. Regarding negative impacts on the general public, no grievances were received through the group's formal reporting process during the year.

Share dealings
Before directors may trade in the company's securities, they must obtain clearance from the CEO or, in his absence, from the Chairman. Likewise, clearance must be obtained from the CEO or the designated director before the Chairman may trade in the company's securities.

During closed periods, directors are prohibited from trading in shares and are obliged to advise their portfolio or investment managers not to trade in the company's securities, unless they have received specific written instructions to do so. Directors are not permitted to deal in the company's shares when they have unpublished price-sensitive information relating to those securities, or where clearance to deal has not been confirmed.

Supplier contracts
During the initial phases of any project, the group's code of business ethics and conduct are provided to subcontractors and suppliers as part of the supplier onboarding process through the group's Vendor Management System (VMS).

Responsible corporate citizenship

Principle 3: The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.

Ensuring that the group operates sustainably and ethically is the S&E Committee's primary function. The committee is established in terms of the requirements of section 72 of the Companies Act, read with Regulation 43 of the Companies Regulations, 2011.

The committee has instituted appropriate policies and programmes that contribute to social and economic development, ethical behaviour of staff towards fellow employees and other stakeholders, fair labour practices, environmental responsibility and good client relations. Regardless of any delegated authority, the board is ultimately responsible for these matters.

For more information on the S&E Committee, refer to pages 58 to 59 of this report and view the sustainability report on the group's website.

Strategy and performance

Principle 4: The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.

Executive management ensures that all necessary information and facts are provided to the directors, to assist them in making objective and well-informed decisions. The board meeting agendas and structure focus on strategy, performance monitoring, governance and related matters.

Throughout the year, the board meets to discuss the short-, medium- and long-term strategy of the group. The short term strategies focus on the forthcoming year, mid-term strategies focus on the next 2-5 years and long-term strategies focus on the >5 year period. Although the short term focus of the group remains on the successful implementation of the Restructuring Plan, a comprehensive review of the medium-long term strategy will be undertaken during the next financial period. These meetings deal with focus areas such as risks, opportunities, transformation, health and safety, training and sustainable development and other significant matters connected to the triple context in which the organisation operates.

Key policies and financial budgets that support the group's strategy are approved at each meeting, and are monitored against agreed performance measures and targets.

The group's material issues are categorised according to the material effects they may have on strategic operations and are evaluated on an ongoing basis. Formal and informal stakeholder engagement takes place through various channels, which help to guide and define the group's material issues.

There are separate reports within this Integrated Annual Report, with detailed information on the company's key risks, strategy, business model, performance and sustainability.

Reporting

Principle 5: The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.

Ensuring the integrity of the integrated annual report and all other related reports issued by the group is the board's responsibility. The board assesses and confirms management's grounds for establishing materiality during the approval process of the integrated annual report, which determines the material information to be disclosed.

ARCO determines the group's direction and approach to reporting, which includes the entire integrated annual report and annual financial statements.

In terms of reporting on non-financial matters, the S&E Committee proactively manages and oversees the process. Oversight of the remuneration and implementation reports are the responsibility of REMCO and NOMCO.

To align with the relevant legal and statutory requirements as well as the six capitals model, the committees ensure that reporting framework requirements are met. The six capitals are human capital, social and relationship capital, natural capital, financial capital, manufactured capital and intellectual capital. For more information on these, refer to page 4.

The group's reporting is assured in conjunction with the external auditors whose primary focus is on financial aspects. There is limited external assurance on the non-financial aspects of reports.

The group's reporting suite is available on the company's website and includes the integrated annual report with a summary extract of the annual financial statements as well as the comprehensive annual financial statements, sustainability report and investor presentations.

All members of the EXCO take part in the bi-annual investor presentations where the group's performance and strategy are presented and discussed with analysts, institutional investors and the media. The board's non-executive directors are also invited and encouraged to attend the group's financial and business-specific presentations.

Interactions with the media take place on an ad hoc basis, and the company publishes all related presentations, webcasts, corporate actions, performance reports as well as any other relevant information on its website.

Primary role and responsibilities of the board

Principle 6: The governing body should serve as the focal point and custodian of corporate governance in the organisation.

Board charter

In accordance with King IV, the board charter sets out the board's composition, appointment, tenure, rotation, authorities, responsibilities and processes. The directors' fiduciary duties and roles are also clearly defined in the board charter.

The charter also details further duties of the board, in addition to the board's responsibilities set out in the Companies Act and King IV. These include:

- Monitoring key risk areas, performance indicators and management;
- Reviewing the performance of the CEO;
- Reviewing the group's financial results and procedures, policies and codes of conduct;
- Implementing the group's plans and strategies;
- Assessing the company secretary with regard to qualifications, competence, experience and independence;
- Approving financial and non-financial objectives, including economic, social and environmental performance; and
- Ensuring ethical behaviour and compliance with laws and regulations.

The non-executive directors have unfettered access to the group's management once they have notified either the CFO or CEO regarding whom they wish to contact and the subject matter of the engagement. If necessary, the board charter also makes provision for the external auditors to be accessible to board members.

For the year under review, the board is of the opinion that it has discharged all material matters as set out in the company's board charter.

Professional advice

All directors may seek independent professional and legal advice on any matters relating to the group, at the group's expense and the board charter sets out the protocol to be followed in this regard.

Composition

Principle 7: The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.

The board comprised six directors as at the date of this report (2022: seven directors), four of whom are independent non-executive directors. The board Chairman is an independent non-executive and there are two executive directors, namely the CEO and CFO.

To ensure that the quorum for the board as well as the composition of various sub-committees, such as ARCO and REMCO, are achieved, the board's size and composition is appropriate. The current board size enables the forming of a quorum at each meeting consisting of a majority of members in office, provided that at least one is an executive.

NOMCO and the board review the composition of the board on an annual basis, as well as in the event of a resignation or retirement. Any shortfalls in skills and experience are identified and addressed during the review process. The board continually monitors its size to ensure it has adequate capacity. Under the current challenging environment that the group finds itself in, the Board has intentionally chosen to remain small, allowing the company to manage costs and allowing the board to remain agile when making decisions.

A board diversity policy is incorporated into the company's board charter. The policy supports the principles and aims of diversity at board level, specifically regarding gender, race, culture, age, field of knowledge, skills and experience. These diversity indicators are considered when the board makes appointments or assesses its composition.

Each individual board member is able to exercise independent judgement in board deliberations and decision-making and provides the company with a wide range of relevant knowledge, expertise, business acumen, and commercial and technical experience.

For a brief curriculum vitae for each of the directors refer to pages 44 to 45.

Board Chairman

The group's board Chairman is Zanele Matlala, an independent non-executive director, having served on the board as a non-executive director since February 2012. Refer to the Chairman's report on page 16.

The roles of the Chairman and CEO are distinct and clearly separate from one another. The Chairman is an independent non-executive director whereas the CEO is an executive director. In accordance with the role and functions set out in King IV, the Chairman is responsible for the effective leadership of the board and is appointed on an annual basis.

The board reviews the succession plan for the Chairman as part of its succession plans for the board as a whole. The Chairman sets the ethical tone for the board and the group. The Chairman provides overall leadership to the board without limiting the principle of collective responsibility for board decisions, while at the same time being aware of the individual duties of board members.

The Chairman of the board is a REMCO member, the chairman of the NOMCO and is a permanent invitee to ARCO meetings. Although the Chairman does not attend the S&E meetings, the Chairman receives the relevant committee information for every meeting for information purposes. It is standard practice that the performance of the board Chairman is reviewed annually.

Meeting attendance

Board member	Board	ARCO	REMCO	S&E
Chairman	ZJ Matlala	B Harie	HJ Craig	BP Silwanyana
Number of meetings	6	6	6	3
ZJ Matlala	6/6	6/6	6/6	n/a
RW Crawford (CEO)	5/6	6/6^	6/6^	3/3
Y du Plessis (CFO)	6/6	6/6^	6/6^	3/3^
HJ Craig	6/6	6/6	6/6	3/3
B Harie	6/6	6/6	6/6	n/a
JM Poluta*	6/6	6/6	n/a	n/a
BP Silwanyana	5/6	5/6	n/a	3/3

n/a Not applicable ^ By invitation
*JM Poluta resigned from the board effective 13 March 2023.

Independence

The independence of directors is assessed on an annual basis and takes into consideration the JSE Listings Requirements, the Companies Act as well as King IV. In accordance with the King IV independence requirements, the independence of directors was confirmed by NOMCO during the year. This considers inter alia that the director has not been employed by the company or the group of which it currently forms part in any executive capacity, or appointed as the designated auditor or partner in the group's external audit firm, or senior legal adviser for the preceding three financial years, or has any material personal wealth interest in the group.

As standard practice, the independence of non-executive directors, who have been on the board for more than nine years is reviewed by the board. The assessment covers their performance as directors and factors that may influence or impact their independence.

The independence of the board Chairman was specifically considered by the NOMCO and board, given that she has served on the board since 2012. The NOMCO and board are satisfied that the board Chairman is independent, notwithstanding her length of service.

All directors are required to declare any conflict of interest at the beginning of each board or committee meeting.

The board considered the position of a Lead Independent Director (LID) and is of the view that the board charter and specifically the role of the board Chairman, caters for all the expected functions of a LID. The board has therefore not appointed a LID.

Rotation and retirement

With the exception of the executive directors, one-third of the board is subject to retirement and re-election by rotation every year. This is in terms of the company's MOI, and the retirement roster, which is reviewed by NOMCO and the board.

Non-executive directors are required to retire at age 70, unless resolved otherwise by the board on the recommendation of the NOMCO. For executive directors, the retirement age is 65 years.

Succession planning

NOMCO reviews the formal succession plans for the CEO on an annual basis. The CEO reviews the succession plan for senior management and provides feedback to NOMCO where necessary. The board receives NOMCO's findings and recommendations for further consideration and action. The succession plans of the group are regularly reviewed by NOMCO, which provides guidance to the board on such matters.

The group has plans in place for emergency cover situations.

New appointments

NOMCO regularly assesses the need for new appointments to the board, and directors are appointed through a formal process. All proposed new directors must first undergo the appropriate background checks, screening and due diligence processes before being shortlisted for nomination. The board will formally approve candidates that NOMCO has recommended.

When appointing a new board member, a formal panel interview with the candidate must include a confirmation that they have adequate time and capacity available to fulfil the duties required of a member of the board.

Directors appointed subsequent to the last AGM are confirmed at the upcoming AGM.

To confirm their terms of engagement, non-executive directors have letters of appointment that include matters such as fees, term of office, expected time commitment, share dealing and board performance assessment.

Continuous development and training

All newly appointed directors undergo NOMCO-approved group-specific induction programmes, which assists new directors in gaining a full understanding of the complexities of the group's businesses. New directors can then make more informed contributions to board deliberations as soon as possible.

The company secretary coordinates the directors' induction process. Board development is supplemented by site visits and presentations on specific technical topics.

Training for directors continues to be addressed and enhanced. Development training programmes are provided to directors as and when necessary, and are structured around their duties, responsibilities, powers and potential liabilities.

Mentorship guidance is given when required, however, there is currently no formal board mentorship programme within the group, as it is not deemed necessary at this stage.

Principle 8: The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.

The performance and affairs of the group are ultimately the responsibility of the board members. They understand that any delegation of their duties is not an abdication of the board members' responsibilities.

To assist the board with carrying out its duties and responsibilities and to effectively establish its decision-making process, the board has constituted various committees.

These committees provide accurate, relevant and timely information to the board. All company-related information, records and documentation are accessible to every committee member.

The board has approved the detailed terms of reference, which have been formulated and guided by the Companies Act and King IV. The REMCO and NOMCO have combined terms of reference, whereas the ARCO and S&E have separate terms of reference. All three committees' terms of reference are aligned to King IV.

The board has formally constituted the following committees:

- ARCO
- REMCO
- NOMCO
- S&E

The formalised terms of reference defines the membership, duties, purpose, and reporting procedures for each board committee, as well as the extent of their decision-making powers, delegated authorities and tenure. There is no fixed tenure for the committees and they remain established for as long as the relevant legislation applies.

The board has adopted and approved the terms of reference of each committee, which sets out their various responsibilities. The terms of reference are reviewed annually and amended if required. Every second year, the board evaluates the performance and effectiveness of its committees. Any delegation of authority to an individual governing member is recorded in the board minutes comprising responsibilities and mandates.

At a minimum, all committees comprise at least three members as prescribed by King IV. The composition of the committees is reviewed annually or as necessary. The board has satisfied itself that the members are suitably skilled, independent and qualified to fulfil their duties in the various committees.

There is transparency and full disclosure from the committees to the board and any issues are discussed openly and frankly. Committee chairpersons provide verbal reports on committee activities to the board and the minutes of committee meetings are made available to the board and the auditors. The chairpersons of the committees or a nominated committee member also attend the company's AGM to answer all questions and concerns posed by stakeholders pertaining to the relevant matters handled by their respective committees. The minutes of the AGM are made available to shareholders.

Meetings are coordinated via an annual programme that is distributed at the beginning of each year, due to the fact that committee cross-memberships exist. Duplication among committees is minimised as far as possible. Executive management are permanent invitees to all board and committee meetings and, where necessary, senior management is involved.

To ensure that no director can exercise unfettered powers of decision-making, the responsibilities of the Chairman and CEO are strictly separated, as are those of the executive and non-executive directors.

Subsidiaries

The oversight of subsidiaries is managed by a process of delegated authority between the holding and operating companies, which ensures the group's overall subscription to the principles of ethical leadership and good corporate governance practices.

All the subsidiaries within the group are recognised as separate and independent juristic persons, to whom its directors owe fiduciary duties.

The delineation of the rights and role of the holding company have been established and communicated.

Principle 9: The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.

A self-evaluation of the board and committees was conducted in November 2022. Overall, the outcome was positive with only minor areas for improvement. Assessments are done informally for individual members and the chairman.

Principle 10: The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.

CEO

The board delegates authority to the CEO to run the business of the group, as well as oversee the management of operations and finances of the group. This formal delegation of authority to the CEO is reviewed by the board on an annual basis.

At board meetings, the CEO reports back to the directors regarding the adequacy of key management functions. The CEO is a member of the S&E committee, and while he is not a member of REMCO, NOMCO or ARCO, he attends meetings as a permanent invitee.

The CEO is assisted by the EXCO in formulating the company's strategy and vision, which are then put forward to and ultimately endorsed by the board together with the group's annual business plans and budgets which ensures the group's long-term profitability and sustainability.

The board conducts a performance evaluation of the CEO each year and reviews his role and function.

For the year under review, the board assessed the delegated authority and was satisfied that it provides sufficient flexibility to management to run the business while at the same time reserving certain matters for the board.

The board is also satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities within the group.

Company secretary

William Somerville, aged 66, holds an FCIS, ACMA and a Diploma in Corporate Law and was appointed in May 2009 as company secretary. He is a qualified chartered secretary with extensive experience in the company secretarial and corporate governance arenas.

The board undertook the annual performance appraisal of the company secretary, in accordance with the JSE Listings Requirements, via a detailed questionnaire circulated to all board members. The board was satisfied with the quality of assistance received, as well as the knowledge, competence and experience of the incumbent.

The company secretary is responsible for the following:

- Ensuring corporate governance processes at holding company level, regular company secretariat services are adhered to and attends all board and committee meetings as secretary.
- Assisting the board and its committees in preparing annual plans, agendas, minutes, and terms of reference and he guides the board and the individual directors on how they should fulfil their obligations and responsibilities towards the company, in the best interests of the group.
- Reporting to the board Chairman on governance matters and to the CFO on general company secretarial matters.
- Ensuring compliance with the MOI.

The company secretary is not a director or employee of the company or any of its subsidiaries and accordingly maintains an arm's length relationship with the board and its directors.

As detailed in the board charter, the board has primary responsibility for the appointment and removal of the company secretary.

Principle 11: The governing body should govern risk in a way that supports the organisation in setting and achieving strategic objectives.

ARCO is delegated to assist the board with monitoring the group's risk management, while the day-to-day operational risk management is performed within each of the regions. Managing risk is an integral part of creating sustainable stakeholder value and protecting stakeholder interests. By being "risk aware", the group is able to capitalise on prospective opportunities flowing from selected risks.

Managing the governance of risk is ultimately the board's responsibility. This includes establishing the risk appetite and tolerance levels, as well as the approval of the risk strategy, policy and framework. The group's appetite for risk has been set and accounted for in the group risk register. The group risk register has been reviewed and updated and the risk model and risk management process remain aligned to the group's strategic plan.

There is no independent external assurance of the risk management function.

For more information on risk management, refer to page 9 of this integrated annual report.

Principle 12: The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.

In carrying out its oversight responsibilities, the board is assisted by ARCO, which approves the policy that defines and gives effect to how the board directs the use of technology and information. The group's ICT management is aligned with its performance, risk management and sustainability objectives.

The achievement of the group's strategic and operational objectives is facilitated and supported by its information architecture. ICT governance is an ongoing standard ARCO meeting agenda item. The General Manager ICT Services manages the ICT department's day-to-day activities, heads the ICT Steering Committee and reports to EXCO and the ARCO.

At quarterly meetings, the ICT Steering Committee discusses ICT governance matters and ensures that the group ICT policies guide the regional operations' ICT principles and are aligned to the overall group strategy.

The committee develops strategies to exploit opportunities and mitigate risks. The areas identified are documented on the group's ICT projects register and reviewed monthly. To address the relevant risks, these strategies, policies and procedures are constantly assessed.

The ICT Steering Committee members are updated on a monthly basis on potential risks and opportunities pertaining to technology and communications. The ICT Steering Committee is managed through a detailed ICT sub-risk register which supports the group's risk register.

An ICT audit is performed annually by an external service provider, which addresses various areas with each audit. The results of this annual audit guide ICT management and ICT risk assessments. Areas that were previously identified as problematic are addressed and re-evaluated.

Service level agreements are in place between the group and its service providers, and these are measured against specific terms and conditions. The group continuously monitors the security of its information. A dedicated team has been appointed to monitor its systems for potential cyber-attacks. The group has migrated the majority of its network servers to a cloud solution with improved security features and implemented additional security monitoring software.

The group continues to work towards standardising processes and procedures within the operations and the integration of all ICT technologies is still in progress.

Third-party service providers mainly relate to cloud services. To ensure that the group is adequately protected, the group only deals with well-established service providers of good standing who have reputable track records.

When assessing its ICT requirements, the group strikes a balance between keeping current systems and replacing longstanding systems with newer, cloud-based systems. The result is a shift from a capital cost model to a service-based operational expense model. The ICT function benefits from new technologies for backup, disaster recovery and storage, while decreasing the capital requirement for equipment.

Old hardware that is redundant but still usable is donated by the group to various organisations in need. The company uses a green recycling process that reduces the environmental impact when disposing of hardware scrap on a group-wide scale.

The group's social media and ethics policy is in accordance with the Protection of Personal Information Act and, where applicable, addresses the ethical and responsible use of technology and information.

The group's information architecture ensures that information is accessible while still safeguarding its confidentiality and integrity. The leveraging of information to sustain and enhance the group's intellectual capital is an ongoing process.

Principle 13: The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being an ethical and good corporate citizen. The group's compliance with legislative and regulatory requirements is monitored by the ARCO and includes the Companies Act, the JSE Listings Requirements, the King IV recommendations and other applicable legislation.

The code of business conduct and ethics is communicated to all new employees as part of company inductions and includes a compliance policy, which is accessible via the group-wide intranet. Laws that are applicable to the group have been tabled at the ARCO, as have their possible effects on the company. Compliance remains a key focus area for the group, both in the current and future period.

Principle 14: The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.

For details pertaining to the group's remuneration, refer to the four-part remuneration report including the remuneration policy and implementation thereof, commencing on page 65 of this integrated annual report.

Principle 15: The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.

Internal control

The board is ultimately responsible for the group's internal control systems and is assisted in these matters by the ARCO. It is accepted that risk management and implemented internal control standards and systems can significantly reduce the risk of error or loss and give sufficient assurance that concerns are speedily determined and managed but cannot provide complete assurance and protection against material loss.

The importance of risk management and internal control systems is communicated to all group employees by the group, to ensure they have a clear and unequivocal understanding of their roles and obligations.

In accordance with the applicable laws, regulations and reporting standards, adequate assurance of the integrity and reliability of the annual financial statements is provided by the internal control systems.

The internal control systems safeguard and maintain accountability of the group's assets and detect and minimise significant fraud, potential liability, loss, material misstatement and other irregularities.

The group has a combined assurance model in place to ensure that all risks identified are subjected to the required level of management control and the necessary internal and external assurance. The ARCO reviews the risk areas included in the scope of the external audit plan as well as the internal audit plan, which avoids duplication across the two disciplines.

Executive management receives regular assurance from line management that the internal control systems are performing satisfactorily and effectively in entities for which they are responsible.

The aim of the system therefore is to manage rather than to eliminate opportunity and failure risk. Subsequently, intrinsic shortcomings of the effectiveness of any system of internal control remain present, including the risk of human error and the circumvention or overriding of controls.

The assessment and implementation of these internal controls are applied throughout the group by executive management, line management, quality and safety assurance reviews and internal audit. Internal audit follows a risk-based internal audit plan conducting various process reviews.

During the year, while there were no material non-compliances with group procedures, they were discussed with management and the existing controls were reinforced with the relevant staff. As and when necessary, management applies new controls and enhancements to existing controls.

The internal audit function reports directly to the ARCO to ensure its independence.

The internal audit function maintains a focus on the assessment and testing of internal controls within the group. During the year, there were no reports of any significant breakdowns in the effectiveness of the group's control framework.

Refer to the ARCO report on page 61 of this integrated annual report and also page 1 dealing with the responsibility statement by the CEO and CFO on financial controls as required by the JSE Listings Requirements.

Internal audit

To ensure that all recognised areas of risk are covered, and duplications are eliminated, the ARCO reviews and approves the internal audit plan. During the year, there were no material amendments to the internal audit function's role, duties and reporting line of the Group Internal Audit Manager and the internal audit charter remains unchanged. Please refer to the ARCO report on page 61 of this integrated annual report.

Assurance

The group's consolidated and separate financial statements have been externally assured, whereas this integrated annual report as well as any non-financial information are not independently assured. Having considered the need for external assurance on these non-financial reports, the ARCO has concluded that it is not required.

All internal and external assurances already in place are reviewed by the group, which coordinates this with its risk management procedures. The group's combined assurance model is illustrated in the infographic on page 57.

Combined assurance model

First line of defence

The group's first line of defence covers overall management oversight including strategic implementation, performance measurement, risk management, and other control and governance processes. This is mainly executed by the EXCO and the numerous regional managers.

Second line of defence

The second line of defence is provided by regional management and comprises detailed risk assessments and management at a regional and site level, and a formal, robust and effective operational management framework within which the company's policies and minimum standards are set. In addition, legal compliance, health, safety and quality assurance are also covered by this line of defence.

Third line of defence

The group's third line of defence is provided by the independent and objective assurance of the overall adequacy and effectiveness of the risk, governance and internal controls within the company as established by the first and second lines of defence. The Audit Committee is mainly responsible for this line of defence and is supported by internal audit, external audit, and certain specialised areas of assurance such as ISO auditors for quality, environment as well as health and safety audits.

The effectiveness of the group's combined assurance is assessed by the board, which uses objectivity and professional scepticism, while applying an enquiring mind, to form their own opinion on the integrity of information and reports, and the degree to which an effective control environment has been achieved.

The board has satisfied itself that the combined assurance model is effective and sufficiently robust to enable them to place reliance on the combined assurance underlying the statements that it makes concerning the integrity of the organisation's external reports.

Integrity statement

The board responsibility statement can be found on page 1.

Principle 16: In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.

The group's stakeholders include its employees and trade unions, shareholders, investors and financiers, clients, suppliers, joint operation and joint venture partners, local and national government structures, industry bodies, the media and the communities in which the group operates. For further information on stakeholder engagement, please refer to page 6.

Although managing key stakeholder relationships as disclosed on page 6 remains a continual focus area for the group, the main focus area for the current and future period relates to continued engagement with the Lender group until the Restructuring Plan is fully implemented.

Combined assurance model

1st line of defence
- EXCO
- Senior management

2nd line of defence
- Line management
- Legal compliance, health, safety and quality reviews

3rd line of defence
- External accreditation
- Internal audit
- External audit

Assurance providers

Health and safety reviews

Quality reviews

Environmental reviews

Group internal audit reviews

Combined assurance model

ISO certification
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

Client health and safety reviews

JSE financial reporting monitoring panel

Annual B-BBEE verification

Client environmental reviews

External audit

Legal consultation

Annual IT review

Key

Internal assurance provider

External assurance provider

Social and Ethics Committee report

Introduction

The S&E Committee's (the committee) primary function is to ensure that the group operates sustainably, and in particular, that it actively pursues transformation. To this end, the committee has been established in terms of the requirements of section 72(4) of the Companies Act, read with Regulation 43 of the Companies Regulations, 2011.

Terms of reference

The board has approved the committee's terms of reference, which are guided by the Companies Act and King IV principles. After the annual review process, minor amendments were made to the terms of reference. For the year under review, the committee confirms that it has executed its duties in accordance with its terms of reference.

Composition

Independent Non-executive Director, Busisiwe Silwanyana chairs the committee, which further comprises the CEO, Russell Crawford, Independent Non-executive Director, Howard Craig and the Human Resources Director, Mike Sikhakhane. The CFO, Group Risk Officer and Financial Manager attend meetings as permanent invitees.

The composition of the committee complies with the Companies Act, however, it does not comply with the King IV recommendation of having a majority membership of independent non-executive directors, as the company believes that the current composition is appropriate. The committee composition is considered on an annual basis. Refer to pages 44 to 47 for the abridged biographies of the committee members. Ms Silwanyana and Mr Craig are also members of the ARCO, which improves communication and ensures cooperation between the two committees.

Meetings

The committee met three times during the year. Refer to the corporate governance report on page 52 for details on meeting attendance.

Statutory and other duties

In order to execute its duties and fulfil its responsibilities, the committee:

- Considers, approves and reviews the group's corporate social investment programme and proposed beneficiaries;
- Monitors the group's activities, having regard to any relevant legislation, other legal requirements or any industry or sectoral codes of best practice with regard to:
  - Social and economic development;
  - The environment, health and workplace and public safety;
  - Consumer relationships;
  - Labour and employment;
- Monitors the group's B-BBEE targets and progress on ownership, preferential procurement, enterprise development, EE and skills development and training;
- Promotes the principles of transformation on an enterprise-wide basis across all facets of the group's activities and reviews policies, plans and processes in this regard;
- Receives reports on a confidential basis from the whistle-blowing line;
- Reviews integrated annual reporting to stakeholders on aspects of transformation; and
- Reviews and monitors sustainability.

Committee effectiveness review

During November 2022 the committee conducted an internal review of its effectiveness. Overall, the outcome was positive with only minor areas for improvement.

Committee focus areas

2023	2024
— Ongoing focus on EE and B-BBEE in order to maintain the group's B-BBEE Level 1 Contributor status — Implementation of approved and revised EE plans and monitoring amendments of EE — Focus on ESG incorporating current policies and strategies into a new ESG plan — Continued engagement with key stakeholders to ensure successful implementation of the Restructuring Plan	— Implementation of revised and approved EE plans and monitoring amendments of EE — Ongoing focus on B-BBEE in order to maintain the group's Level 1 Contributor status — Continued focus on ESG incorporating current policies and strategies into a new ESG plan and setting measures and targets against which to monitor performance — Continued engagement with key stakeholders — Monitor implementation of action plans from Employee Engagement Survey conducted in May 2022 — Monitor execution of the VRP

In support of the ARCO, the committee assesses all non-financial information disclosures made in the integrated annual report and provides additional assistance on all matters relating to ethics, which are reported on through the internal audit process.

The committee is satisfied that the necessary attention is given by the group to its social, ethics, transformation and sustainability responsibilities. A number of policies and programmes have been established to progress the advancement of SED, ensure the ethical behaviour of employees towards fellow colleagues and other stakeholders, promote fair labour practices, oversee environmental responsibility and reinforce good client relations.

Due to the fact that some of the committee's responsibilities and deliberations overlap with other committees, detailed policy and performance information appear in other sections of the integrated annual report and supplementary reports.

While some sustainability highlights are included in this integrated annual report, the execution of the S&E Committee responsibilities is discussed in further detail in the group's sustainability report, which can be found on the group's website.

On behalf of the S&E Committee

Busisiwe Silwanyana
Chairman

19 June 2023

Sustainability highlights

The full sustainability report can be found on the group's website **www.stefstocks.com**.

1. Involved with our people

Stefanutti Stocks continues to focus on implementing the strategic driver **"Energised and Engaged Employees"**, as employees are key to its success. As at 28 February 2023, the total staff complement for the group was **6 405** (2022: 5 611) employees, (excluding temporary employment service employees), with **2 707** (2022: 3 080) local employees and **3 698** (2022: 2 531) based beyond South African borders. A further **1 264** (2022: 1 309) were local temporary employment service employees.

In May 2022, the group conducted an employee engagement survey. Focus areas included employee satisfaction with the company, their jobs, colleagues and communication, among others. With a participation rate of **65%**, an overall score of **80%** was achieved, exceeding the international benchmark of **71%**.

2. Developing our people

The group is committed to empowering its employees through ongoing training and development, despite the negative impact and challenges of the unfavourable economic climate. By continuing with operational training, programmes and bursaries, the group understands that a talented and diverse workforce is fundamental to the long-term sustainability of the business.

The Stefanutti Stocks Academy continues to provide internal training to employees with a focus on operator and construction skills training. Stefanutti Stocks invested **R8,1 million** (2022: R8,0 million) in skills development and training during the year. This amount excludes employees' salaries while receiving training. The group sponsored a further 87 (2022: 17) scholarships through the Maharishi Invincibility Institute (MII), Star Schools and Training Force to the value of **R2 million** (2022: R2,5 million).

The Academy maintained its accreditation with the Mining Qualifications Authority (MQA) and Construction Education and Training Authority (CETA). The group migrated the full MQA accreditation to CETA comprising two full qualifications made up of 42 unit standards.

3. Transformed and diverse organisation

Across the group and its operations, Stefanutti Stocks is committed to the principles and implementation of B-BBEE. The group supports the B-BBEE Act and the Codes of Good Practice for B-BBEE in South Africa as an effective means of addressing economic and social inequality in the country.

The Revised Construction Sector Codes were promulgated on 1 December 2017. The group's current scorecard dated August 2022, is based on the Revised Construction Codes of Good Practice. Stefanutti Stocks maintained its **Level 1 Contributor status**, with black ownership calculated at 72,76% increasing from the previous years' ownership of 64,28%.

4. Health and safety

Stefanutti Stocks incorporates the safety and good health of all employees into its values and objectives. To ensure the group's long-term sustainability, the protection of all employees remains consistent and at the forefront of operations. The group's philosophy of **"Excellence in Execution"** means delivering exceptional quality projects, within the designated timeframes, without causing harm to employees.

During the year, a health awareness campaign called **"Hear Today, Gone Tomorrow"** addressed noise-induced hearing loss (NIHL) with the aim of preventing cases of hearing loss.

The group's LTIFR at February 2023 was **0,05** (2022: 0,03) and the RCR was **0,44** (2022: 0,28).

5. Environment

The group continually monitors six key areas that are most significant to operations, namely carbon emissions, energy, materials, waste, water, and credible information. With **"Green Construction"** and **"Zero Environmental Harm"** being held in the highest regard during all phases of construction, Stefanutti Stocks is focused on reducing its impact through risk mitigation and rehabilitation.

The group maintained its group certification for ISO 14001:2015 management system with a successful surveillance audit in 2022. All the regions of the group are included within one certification, assuring environmental standards across the regions.

Stefanutti Stocks endeavours to address the challenges posed by diverse and changing environmental conditions and socio-economic circumstances, which can be impacted by the construction industry.

Biodiversity is indispensable to food security, sustainable development and the supply of many vital ecosystem services. Addressing this challenge, the Stefanutti Stocks Eswatini Manzini Interchange Project involved the successful relocation of protected species with the assistance of experienced environmentalists and horticulturists.

Further to this, Stefanutti Stocks also assisted the local community of Manzini in creating safe, potable water for human consumption, contributing 40 litter bins distributed to schools to prevent pollution caused by litter and general waste, creating roadside berms to prevent further soil erosion and establishing a vegetable garden to be used by a local soup kitchen.

Audit, Governance and Risk Committee report

The Audit, Governance and Risk Committee (ARCO or the committee), appointed in respect of the 2023 financial year of Stefanutti Stocks Holdings Limited, provides this report in compliance with section 94(7)(f) of the Companies Act, the principles of King IV and other regulatory requirements.

The ARCO

In addition to the specific Companies Act statutory responsibilities bestowed upon it, the committee advises and submits recommendations to the board on the group's financial reporting, internal financial controls, legislative and regulatory compliance as well as the external and internal audit functions.

Terms of reference

Guided by the Companies Act and King IV, the board has adopted and approved the committee's formal terms of reference. No changes were made to the terms of reference after the annual review process. In accordance with these terms of reference, the committee confirms that it has executed its duties during the past financial year. Refer to pages 48 to 57 of this report for a discussion on how the 16 principles of the King IV Report on Corporate Governance for South Africa 2016 (King IV) have been applied.

Composition

The board nominated the members of the committee in respect of the 2023 financial year and shareholders appointed its members at the Annual General Meeting (AGM), which was held on 5 August 2022. Shareholders will be requested to approve the appointment of the committee members for the 2024 financial year at the AGM that is scheduled for 4 August 2023.

Post year-end, John Poluta resigned as independent non-executive director from the board of Stefanutti Stocks with effect from 13 March 2023 due to health reasons. He served on the board since July 2017 and served as a member of the ARCO. Howard Craig was appointed as a member of the ARCO with effect from 13 March 2023. The committee comprises further of Bharti Harie as Chairman and Busisiwe Silwanyana, both independent non-executive directors.

The board Chairman, CEO, CFO, Group Risk Officer, Financial Manager, external and internal auditors attend the meeting as invitees. The company secretary acts as secretary to the committee.

The board has satisfied itself that the committee members are suitably skilled, have the correct expertise and experience, are independent and are qualified to fulfil their duties. Abridged biographies of the members are published on pages 44 and 45.

Meetings

During the year, the committee held six meetings. Attendance at these meetings is set out in the corporate governance report on page 52 of this integrated annual report. The committee also met in private with the external auditors.

Execution of duties

During the year the committee:

- Identified specific focus areas, as set out on page 64;
- Evaluated the independence of the external auditors with regard to tenure, individual partner rotation as well as their performance, and recommended their reappointment, to the board;
- Reviewed the quality of the external audit function with regard to audit quality indicators as indicated in reports by external regulators. Based on these indicators, the committee was satisfied with the quality of the external audit function;
- Reviewed the quality of the internal audit function with reference to the findings from their independent internal review processes;
- Noted the JSE requirements regarding mandatory audit firm rotation (MAFR) and partner rotation;
- Confirmed the accreditation of the external auditors and the audit partner with the JSE with regard to tenure as well as individual partner rotation;
- Considered and evaluated the key audit matters as set out in the external auditor's report which remain largely the same as the previous year and the committee is satisfied that the matters have been correctly disclosed in the integrated annual report and consolidated annual financial statements;
- Reviewed the areas identified by the external auditors as being of significant risk and their approach to auditing these;
- Reviewed the external audit findings and reports;
- Approved any non-audit services performed by the external auditors and the policy in this regard;
- Reviewed the draft audited financial statements and integrated annual report, the preliminary announcement and interim statements;
- Included the review of the company's Restructuring Plan (with the underlying assumptions), as part of its standard agenda item for each meeting. This is fully discussed on pages 80 and 81;
- Reviewed the company's ongoing solvency, liquidity and going concern status;
- Reviewed, together with the external auditors, the conformity of the audited financial statements and related schedules with IFRS and the company's accounting policies;

- Reviewed the audit plan, strategy and audit fees payable for FYE 2023 to the external auditors;
- Reviewed internal audit policies, plans, budgets, reports and findings and noted the independence of the internal audit function;
- Approved the audit fee for FYE 2023;
- Monitored compliance with the code of business conduct and ethics of the company in liaison with the S&E Committee;
- Monitored compliance with applicable laws and regulations;
- Monitored reports from the company's ethics hotline;
- Oversaw the process of sustainability reporting and considered the findings and recommendations of the S&E Committee;
- Assessed key risk areas facing the group, Information Technology (IT) risks, the risk register and recommended risk mitigation measures;
- Considered the tax risk report and significant tax matters;
- Oversaw insurance arrangements;
- Considered internal reports on major contracts;
- Oversaw IT governance, including participation in a comprehensive presentation of the various IT processes and systems implemented within operations to manage the entire process from tender to commissioning stage;
- Advised and updated the board on issues ranging from accounting standards to published financial information;
- Nominated the external auditors and the designated audit partner for reappointment by shareholders at the AGM, as required by the Companies Act and the JSE Listings Requirements;
- Evaluated the finance function and expertise and experience of the CFO;
- Ensured that access to all financial information, and appropriate financial reporting procedures exist, for all entities included in the consolidated financial statements;
- Approved materiality for the group consolidated financial statements in terms of IFRS Practice Statement 2 — Making Materiality Judgements;
- Updated the board on the latest changes to the JSE Listings Requirements, proactive monitoring results, COVID-19 effective communication with investors and categorisation on disposal of assets;
- Ensured ongoing company compliance with the JSE checklist;
- Reviewed compliance with King IV requirements;
- Monitored the ongoing interaction between the Lender Group, Chief Restructuring Officer (CRO) and the Restructuring Implementation Team (RIT).

Internal financial controls

The committee's areas of focus were to:

- Evaluate the effectiveness of the group's system of internal financial controls including receiving assurance from management, internal audit and external audit;
- Review matters presented in the external auditor's reports; and
- Assess the various policies and procedures in place for the prevention and detection of fraud.

Based on the processes and assurances obtained, the committee believes that the significant internal financial controls are effective.

As required by the JSE Listings Requirements, refer to the responsibility statement by the CEO and CFO on page 1 of this integrated annual report.

Regulatory compliance

The group's compliance with applicable laws and regulations is monitored by a combination of management controls, internal audit, external audit, the sponsors and the company secretary. Given the company's size and structure, there is no dedicated in-house compliance function. However, compliance is a standard agenda item covered by the Group Risk Officer at ARCO meetings. Compliance with the Memorandum of Incorporation (MOI) is overseen by the company secretary. For a more detailed discussion on regulatory compliance refer to the corporate governance report, commencing on page 48 of this integrated annual report.

Refer also to page 1 of this report for the statement of compliance with the Companies Act and the MOI.

Oversight of risk management

The committee oversees the risk management process and has confirmed the independence of the internal audit function. The Group Risk Officer and the Internal Audit Manager report directly to the committee and address all risk identification, measurement and management through these channels.

A risk management framework, risk policy and risk register were presented for consideration to the committee during the year. The committee has confirmed that the following focus areas below have been attended to:

- Financial reporting risks;
- Funding risks with the Lender Group;
- Kusile Power Project contract risks;
- Internal financial controls;
- Fraud risks;
- IT risks; and
- Reviewed technology risks, in particular how they are managed.

Please refer to page 9 of this integrated annual report for a full discussion on risk management.

Independence of external auditors

The committee assesses the external auditors' independence and effectiveness on an annual basis, as required in terms of Section 22.15(h) of the JSE Listings Requirements, as part of its responsibilities.

The committee reviews the group's non-audit services policy on an annual basis. This policy allows the committee to consider whether the external auditors' independence is materially impaired by any non-audit services rendered. While the external auditors rendered certain non-audit services during the reporting period, their fees were deemed immaterial. Among other things, the non-audit service rendered includes auditing of circulars issued during the year and certain other agreed-upon procedures.

The committee is satisfied with the external auditors' independence, based on enquiries made by the committee and assurances given by the auditors. The committee has thus recommended to the board and to the shareholders, the reappointment of Mazars as the independent registered audit firm and Shaun Vorster as the individual registered auditor. Shaun took over as the lead audit partner from the 2022 financial reporting period.

Mazars has been the auditor of the group for 17 years. Significant changes in management over the tenure of the external audit firm that mitigate the risk of familiarity include the appointment of a new CEO in August 2019, a new CFO in May 2022 and various other board and executive committee appointments. Refer to pages 44 to 47.

Following on from the recent Supreme Court of Appeal ruling on the 31st of May 2023 declaring the Mandatory Audit Firm Rotation rule *ultra vires*, the group will continue to engage Mazars as its external audit firm into the future.

Internal audit

Internal audit's purpose and scope, responsibilities and duties, independence and ethics are set out in the internal audit charter. The internal audit function monitors the group's exposure to risk, and assesses the reliability and effectiveness of risk management processes and controls.

The Internal Audit Manager reports to the Group Risk Officer on an administrative basis. In order to perform his duties and meet his responsibilities, the Internal Audit Manager has unfettered access to the CEO, chairman of the board and chairman of the ARCO, and reports to the committee on a functional basis.

As prescribed by the Institute of Internal Auditors, the policies and procedures that guide the internal audit function are aligned to the International Professional Practice Framework (IPPF). The amended IPPF includes the core principles within the mandatory section, which also incorporates the definition of internal auditing, the code of ethics as well as the standards for an internal audit function. Reviewed in their entirety, these core principles articulate internal audit effectiveness. Therefore, the internal audit function must:

- Be objective and free from undue influence (independent);
- Align with the strategies, objectives and risks of the organisation;
- Be appropriately positioned and adequately resourced;
- Demonstrate quality and continuous improvement;
- Communicate effectively;
- Provide risk-based assurance;
- Be insightful, proactive and future-focused; and
- Promote organisational improvement.

In addition, the internal audit function is tasked with monitoring and assessing the group's corporate governance, in particular the various delegation of authority frameworks applicable across the group.

The group's numerous levels of management are responsible for designing, implementing and evaluating the risk management plans and must ensure their sustainability in all aspects of the business.

The committee directs the risk-based internal audit plan, which is based on the key risks identified by executive management and confirmed by the committee. At the beginning of the year under review, the internal audit plan was presented to the committee for annual review and approval.

The following processes were dealt with in the approved internal audit plan:

- Tender and estimating;
- Purchases and payables;
- Subcontractor payments;
- Payroll salaries and wages;
- Financial discipline;
- IT general computer controls, system development life cycle, cyber-attack defences, change management and backup, and disaster recovery; and
- Contract (site) reports and reviews.

All findings were communicated to management who reinforced the existing controls or implemented new controls and processes to minimise the risk identified to an acceptable level, comparing the advantages gained with the cost of the control.

The group's internal audit function also appraises the group's risk management, corporate governance processes and internal controls and submits its assessment of these to the committee annually.

The internal audit function provides annual confirmation to the ARCO that it conforms to recognised industry code of ethics.

During the year, an external, independent quality review of the internal audit function was conducted as required by the International Standards of Internal Auditing. These quality reviews will be done once every five years.

Committee focus areas

The focus areas for the year under review were as follows:

- Ongoing monitoring of the Restructuring Plan covering:
  - Going concern;
  - Solvency and liquidity;
  - Funding requirements and repayments;
  - Asset disposals;
  - Debtors recoverability;
  - Material contracts;
  - Working capital requirements and movement;
  - Receiving feedback from the CRO and RIT.

The focus areas for the coming year are similar to the previous focus areas.

CFO

The annual evaluation of the finance function and the CFO was undertaken during the year as required in terms of the JSE Listings Requirements. The committee is satisfied that the CFO, Yolanda du Plessis, has the appropriate qualifications, expertise, skills and experience to meet the responsibilities as CFO.

The committee has also satisfied itself that the resources within the finance function are appropriate to provide the CFO with the necessary support to properly fulfil her function. When making its evaluation, the committee considered the matters raised from the external auditors.

Annual Financial Statements and Integrated Annual Report

The committee has reviewed the separate and consolidated annual financial statements of Stefanutti Stocks Holdings Limited for the year ended 28 February 2023, and is of the view that in all material respects they comply with the relevant provisions of the Companies Act, IFRS, the JSE Listings Requirements, the SAICA Financial reporting Guides (as issued by the Accounting Practices Committee), as well as Financial Reporting Pronouncements (as issued by the Financial Reporting Standards Council) and fairly present the consolidated and separate financial position as at 28 February 2023, and its financial performance, the statement of changes in equity and cash flows for the financial year ended. These are available on the company's website.

The committee has also satisfied itself as to the integrity of the remainder of the Integrated Annual Report, including the Sustainability Report, and accordingly has recommended the integrated annual report for the year ended 28 February 2023 for approval to the Stefanutti Stocks board. The board has approved the report, which will be open for presentation at the forthcoming AGM.

On behalf of the ARCO

Bharti Harie
Chairman

19 June 2023

Remuneration report

Introduction

This remuneration report sets out the information applicable to the group's remuneration strategy and remuneration policy for the executive directors, members of the EXCO and non-executive directors. However, where relevant, it also deals with general remuneration matters. The Remuneration Committee (REMCO/the committee) assists the board in determining remuneration policies for the group and has set the remuneration policy for financial year-end 2023 (FYE 2023).

At the 2022 AGM, no matters were raised by shareholders in terms of the remuneration policy and the remuneration implementation report.

This report consists of four sections:

- **Section A:** a background statement to provide context to the remuneration policy;
- **Section B:** an overview of the main provisions of the remuneration policy;
- **Section C:** the implementation of the remuneration policy; and
- **Section D:** other.

Section A: Background statement

The structure of this report has been compiled to align with the recommended principles and practices of King IV. The overall principles of the Stefanutti Stocks remuneration policy are:

- To drive the behaviour of the group's employees so that it is aligned to the overall group strategy in the short, medium and long term, within the group's risk framework;
- To align the strategic interests of the company and its senior executives, with those of its shareholders;
- To reflect remuneration that is affordable, fair, responsible and transparent;
- To continually attract, retain, motivate and reward employees at all levels; and
- To promote an ethical culture and responsible corporate citizenship.

Stefanutti Stocks's 2022 AGM was held on 5 August 2022, and ordinary resolutions 8 and 9 to approve the company's remuneration policy, and remuneration implementation report were tabled then. Refer to the table below: Voting results of annual general meeting — August 2022.

The board has approved the information provided by the committee in this report and accepted its recommendations.

1. Committee governance

The committee is responsible for the development and oversight of the group's remuneration philosophy and policy. The composition, mandate, role and responsibilities of the committee are set out in written terms of reference, which have been approved by the board. The committee believes the remuneration policy has achieved the stated objectives of optimising group performance within both the macro- and micro-environments facing the company and its management.

For the year under review, the committee also confirms that it has executed its duties in accordance with its terms of reference.

The committee continues to evaluate and benchmark the company's remuneration practices against relevant industry peers, external market conditions, availability of internal and external resources, risk factors, group performance and achievement of strategy.

A. Composition

The company has a combined Remuneration and Nominations Committee. The REMCO is chaired by an independent non-executive director, Howard Craig, while NOMCO matters are chaired by the board Chairman, Zanele Matlala.

At year-end, membership of the committees comprised:

REMCO	NOMCO
HJ Craig — (Chairman)	ZJ Matlala — (Chairman)
ZJ Matlala	HJ Craig
B Harie	B Harie

All of the committee's members are independent non-executive directors. In addition, the CEO, CFO and the Human Resources Director attend meetings by invitation.

The company secretary attends all meetings as the secretary of the committee.

The committee has access to independent advisors to ensure that it receives expert advice on remuneration matters, both in general and on industry-specific matters. The CEO, CFO and the Human Resources Director also make recommendations to the committee. However, they are excluded from deliberations in respect of their own remuneration.

Voting result of annual general meeting — August 2022

	Remuneration policy		Remuneration implementation report	
Votes for:	79 836 376	98,67%	80 835 376	99,90%
Votes against:	1 077 780	1,33%	77 780	0,10%
Total shares voted:	80 914 156	43,02%	80 913 156	43,02%
Votes abstained:	5 406 651		5 407 651	

B. Role and responsibilities

The written terms of reference of the committee are reviewed annually, with any proposed changes submitted to the board for approval. During the year, all remuneration policies were reviewed by the committee to ensure that the policies remained appropriate for the business and aligned with the principles of both King IV and the Companies Act.

Revisions to the Forfeitable Share Plan scheme were recommended to and approved by shareholders at a general meeting held on 26 April 2023. Refer to section B for a summary of the changes.

There were no changes to the committee's terms of reference for FYE 2023.

The REMCO's role and responsibilities include:

- Ensuring that the chairman of the committee reports to the board on the committee's recommendations and decisions;
- Recommending to the board the annual Total Fixed Package (TFP), short- and long-term incentives, and other benefits to be paid to the executive directors;
- Reviewing and approving the annual TFP, including short- and long-term incentives paid to the EXCO members;
- Reviewing and approving short- and long- term incentive pay structures for other qualifying staff;
- Reviewing and approving the overall annual TFP increases within the various levels of company and operational directors and monthly paid employees;
- Reviewing the remuneration of the executive directors and executive management to ensure that this is both fair and reasonable relative to the overall employee remuneration in the group;
- Reviewing and approving the executive directors' service contracts;
- Ensuring the principle of equal pay for equal work is applied in the workplace; and
- Approval of the independent external advisors to the committee.

The NOMCO's role and responsibilities include:

- Ensuring that an adequate succession plan is in place for all senior management positions;
- Reviewing and recommending the board diversity policy, which covers both race and gender, to the board;
- Reviewing and approving the induction and training policy and processes for new board members;
- Ensuring the committee comprises at least two independent non-executive directors, and all committee members have the appropriate skills and experience;
- Assessing the composition and competencies of the board and identifying any deficiencies in this regard;
- Identifying and recommending nominees to the board.
- Prior to nomination, appropriate background checks and due diligence processes are performed on all proposed new directors;
- Reviewing directors' independence annually, establishing those directors eligible for re-election at the AGM and assessing the performance and attendance of these directors in order to make a recommendation to shareholders on their re-election;
- Recognising the board diversity policy (which deals with race and gender at board level) whenever the board's composition is renewed (at least annually) and also whenever a new appointment to the board is under consideration;
- Identifying and recommending non-executive directors with greater than nine years' service to the board for the appropriate review and approval;
- Reviewing and approving the role of the Chairman and recommending to the board, the extension of the Chairman's contract for a further year;
- Considering the necessity to appoint a Lead Independent Director; and
- Ensuring that an adequate succession plan is in place for all non-executive directors.

Responsibility for senior management appointments and remuneration has been assigned to the CEO. The CEO provides feedback to the committee and the board in this regard.

The retirement age for non-executive directors is 70 years, unless otherwise approved by the board.

C. Year under review

The impact of COVID-19 and the implementation of the Restructure Plan, resulted in no general salary increases being awarded to salaried staff in FYE 2019, FYE 2020 and FYE 2022. An increase was given in FYE 2021, but with a COVID-19 reduction in salary for a three-month period. Furthermore, the recent internal restructuring of the group resulted in role changes, retrenchments and added responsibilities for various staff members. Overall, remuneration did not keep pace with the construction and other sectors, resulting in a significant risk of not attracting nor retaining key staff and executive management. A key focus of the committee, therefore, during FYE 2023 was to commence with a comprehensive job grading review, external benchmarking against the group's peers and thereafter, alignment of remuneration with job grades.

The committee met six times during the year. The following key decisions were taken during the year:

- The review and recommendation of the company's remuneration policy and implementation report, and submission thereof to shareholders for a non-binding advisory vote at the 2022 AGM;
- The review of the Executive Directors' Incentive Scheme (EDIS), comprising:
  - Short-term incentives (STI) — R4,4 million STI payments were made to executive directors in terms of personal objectives for FYE 2023.
  - Long-term incentives (LTI) — No LTI awards were earned by the executive directors relating to performance for FYE 2023.
- Removal of the LTI measure for total shareholder return (TSR) of the company for FYE 2023 as many of the group's listed peers are no longer an appropriate comparison against the group;
- The approval of the STI payments for company, operational and other directors, made under the Directors' Profit Share Incentive Scheme (DPSIS);
- No LTI payments were made to company, operational and other directors under the Forfeitable Share Plan (FSP);

- The approval of discretionary bonus payments to certain black female staff for the purchase of company shares;
- A general salary increase of 5% was awarded for FYE 2023;
- The average annual increase for hourly paid employees in FYE 2023, determined under the various industry bargaining councils, was 7,35% based on CPI of +0,75%;
- The introduction of the Patterson job grading system for all salaried roles across the group;
- Review and approval of salary reference targets following an external benchmarking analysis by REMchannel;
- A comprehensive review of job gradings, commencing with EXCO roles and thereafter, lower salary grades;
- Following the job grading of the EXCO roles, EXCO members received additional salary increases over and above the general increase to align salaries with the adopted salary reference targets;
- The award of additional salary increases over and above the general increase to certain junior staff to align salaries with the adopted salary reference targets;
- Revisions to the FSP scheme were recommended to and approved by shareholders at a general meeting held on 26 April 2023;
- The setting of personal key performance areas (KPAs) for the CEO and CFO, including thresholds and sliding scales for performance measurement;
- The review of the succession policies and plans for the executive directors and the EXCO;
- The review and recommendation to the board of the non-executive directors' fees for submission to shareholders at the next AGM;
- Noting that the group's internal board gender diversity policy of 30% female board members had at the date of this report been met;
- The review and approval of the role and function of the board Chairman; and
- An internal committee effectiveness review was conducted and concluded that the committee was functioning well with no major negative findings.

Attendance at these meetings is shown in the table set out on page 52.

2. Areas of focus for FYE 2024

The key areas of focus for the committee for the ensuing year will be:

- The approval of the annual work plan for the committee;
- The review and approval of the succession plan for the board including the Chairman;
- The succession plans for the executive directors;
- The remuneration, including short- and long-term incentives, payable to the executive directors;
- The review of the current EDIS and appropriateness of the current scheme in view of the changed circumstances of the group;
- The review of the DPSIS to reflect the group's changed organisational structure;
- The completion of job gradings for all salaried staff roles;
- The design of a compelling Employee Value Proposition to ensure attraction and retention of high-performance individuals;
- The consideration of the fees to be paid to non-executive directors, including an external benchmarking exercise;
- The approval of the independent external advisors to the committee; and
- The continued interaction with major shareholders regarding the company's remuneration policy and principles, where required.

Section B: Remuneration policy overview

1. Strategy and philosophy

The company's philosophy is to employ dynamic and competent individuals who subscribe to the group's culture and values. Compensation packages are designed to reward superior performance with superior rewards, whilst poor performance earns no additional rewards.

Stefanutti Stocks strives to provide a safe working environment, and one which encourages the development and personal growth of employees within the framework of the company's objectives.

The key components of the remuneration policy for the executive directors and members of EXCO are as follows:

- The group adopts a prudent risk and reward philosophy, applied within the scope of the group's risk profile.
- Paying a market competitive Total Fixed Pay (TFP) which includes a base salary, medical insurance, retirement fund contributions and certain other market-related benefits;
- Paying a Total Remuneration (TR) which is targeted to be within the upper quartile of relevant industry benchmarks. However, in light of prevailing market conditions, the company is currently paying at the median of this benchmark and in some instances, below the lower quartile;
- Paying an appropriate mix between TFP and short- and long-term incentives;
- Paying an annual cash STI designed to achieve strategic performance goals in the short term;
- Making appropriate long-term incentive awards to executives and all other directors in terms of the Forfeitable Share Plan;
- STIs and LTIs incorporate threshold, target and stretch targets, under financial performance criteria, and also reward individuals for their personal contributions under KPAs;
- All elements are included in the remuneration policy including pre-vesting forfeiture (malus);
- The long-term share incentive participation is designed to align the executive directors' performance with shareholder expectations and ensure sustainable future company performance; and
- External advisors are utilised to assist in benchmarking the respective processes. For FYE 2023, REMchannel was appointed as external advisor.

2. Components of remuneration of executive directors and EXCO

A. Guaranteed remuneration

When structuring guaranteed packages, the group applies a TFP approach.

Base salary reflects the market value of the individual's skills, experience and performance, and is paid monthly in cash.

Benefits such as pension, medical aid and car allowance are included in the TFP. It is obligatory that all permanent salaried employees of Stefanutti Stocks belong to the Stefanutti Stocks Pension Fund. Membership of a funeral policy plan, which is independent of the pension scheme, is also mandatory for all South African group employees.

The Stefanutti Stocks Pension Fund is a defined contribution fund and provides retirement funding plans and health risk cover benefits for its members. It is also compulsory for all new salaried employees to join the group's prescribed medical aid scheme, unless the employee can prove that he/she is a dependant on another medical aid.

Hourly-paid employees' remuneration, bonuses and other benefits are determined at industry bargaining council level. The company offers these employees membership to the Stefanutti Stocks Provident Fund, which provides retirement funding and health risk cover benefits. Membership of an approved funeral policy plan is also compulsory for limited duration contract employees.

B. Variable remuneration

Executive Directors Incentive Scheme (EDIS)

Executive directors' variable remuneration falls under the EDIS.

The incentive opportunity available to executive directors, payable in cash (STI) and forfeitable shares (LTI), is as shown in the table below.

Incentive opportunity available to executive directors	On-target incentive	Stretch-target incentive
STI	100% of TFP	200% of TFP
LTI	100% of TFP	200% of TFP
Total incentive opportunity	200% of TFP	400% of TFP

i. Short-term Incentive Plan (STI)

The STI is designed to align the short-term interests of the executives with group strategy, using both financial performance measures and personal objectives.

The intention is to motivate executives to drive performance and strive to exceed short-term goals.

Minimum threshold targets are required to be met before respective bonus awards are earned.

All targets are reviewed and set at the beginning of each financial year, with awards due under the scheme being reviewed and approved at financial year-end, by the committee and the board.

The financial and personal performance awards earned under the STI plan are cash-based annual awards.

Financial performance measures

Financial performance measures account for 50% (FYE 2022: 50%) of the possible STI payable to executive directors.

The two financial performance measures are:

1. Operating profit margin (OP); and
2. Return on equity (ROE)

OP:

— An annual expected OP is established at the commencement of each financial year, with maximum and minimum thresholds applied. The expected OP is internally reviewed and set on an annual basis, and is based on relevant industry and peer comparatives.

— This OP is based upon normalised operating profit excluding all extraordinary and non-trading items, and was set at 3,0% for FYE 2023 (FYE 2022: 3,0%).

— On achievement of the targeted OP of 3,0%, an award of 100% (multiplied by 50%) of the TFP is made.

— If the OP achieved is below a minimum threshold of 1,0%, no award of the financial performance component is made.

— If the OP achieved is at or above a maximum stretch target of 5,0%, an award of a maximum of 200% (multiplied by 50%) of the TFP is made.

— A linear sliding scale apportionment is applied between minimum, threshold and stretch targets.

ROE:

— An annual targeted ROE is also established at the commencement of each financial year, targeted to meet the company's weighted average cost of capital (WACC), also with maximum and minimum thresholds applied to this.

— On achievement of the ROE meeting WACC, the full amount calculated under the OP metric above remains unchanged.

— If the ROE metric falls below the minimum threshold of WACC minus 6%, a diluting factor of 50% is applied to the amount calculated under the OP metric.

— If the ROE metric is at or above the stretch target of WACC plus 6%, an escalating factor of 150% is applied to the amount calculated under the OP metric.

— A linear sliding scale apportionment is applied between minimum, threshold and stretch targets.

Personal performance measures

Personal performance measures account for 50% (FYE 2022: 50%) of the possible STI payable to executive directors.

At the commencement of each financial year, personal objectives are set out under KPAs by the board, for executive directors.

Personal performance measures are designed so that executive directors provide sufficient focus on, and are rewarded for, the successful implementation of the Restructuring Plan.

The personal key performance areas for the CEO and CFO for FYE 2023 are as provided in the tables below: CEO — Key performance areas and CFO — Key performance areas.

CEO — Key performance areas

KPAs	Target	Weighting	Measurement
Must win projects % of must win projects already secured as a % of revenue (including carry over)	50% of revenue	20%	50% of revenue must consist of must win projects to achieve full recognition. Over 45%, 15% recognition Over 40%, 10% recognition Over 35%, 5% recognition Below 35%, nil
Project execution % of projects executed at better than tender/re-pitch gross profit YTD based on revenue	60%	30%	Over 60%, full recognition Over 55%, 25% recognition Over 50%, 20% recognition Over 45%, 15% recognition Over 40%, 10% recognition Over 35%, 5% recognition Below 35%, nil
Capital employed Net capital employed-positive/negative	Positive	20%	Positive net capital employed, full recognition. Negative net capital employed, nil.
Order book FYE 2023 % Secured order book at:			On achieving approved revenue, full recognition. Should approved revenue not be achieved, but part milestones achieved, then recognition in terms of KPA weighting.
1 December 2021	50%	2,5%	
1 March 2022	65%	2,5%	
1 June 2022	80%	2,5%	
1 August 2022	100%	2,5%	
B-BBEE Scorecard	Maintain Level 1 status	15%	Level 1 — Full recognition Level 2 or worse, nil
SHE LTIFR	<0,1	5%	LTIFR <0,1, full recognition LTIFR >=0,1, nil

CFO — Key performance areas

KPAs	Target	Weighting	Measurement
External audit	No major negative findings	20%	Zero findings, full recognition >Zero findings, nil
Internal audit	No major negative findings	5%	Zero findings, full recognition >Zero findings, nil
Information technology audit	No major negative findings	5%	Zero findings, full recognition One or more findings, nil
	Disaster recovery plan in place	5%	In place, full recognition Not in place, nil
Restructuring Plan	Meeting the loan repayments as stipulated in the Restructuring Plan or as amended from time to time	65%	Full repayments as planned/amended, full recognition Partial repayments only, sliding scale based on actual repayment: full repayment ratio

Notwithstanding the results generated from the above performance measures, the maximum STI payable to executive directors is limited to 250% of TFP (FYE 2022: 250% of TFP).

LTI performance measures for FYE 2023

Metric	Weighting	Performance criteria — target	Vesting
1. HEPS%	33%	Growth in (HEPS) equals CPI plus 20% of CPI.	100% of TFP vests upon achievement of target; 50% vests upon achievement of threshold (CPI plus 10% of CPI). 200% vests upon achievement of stretch target (CPI plus 40% of CPI).
2. ROCI	27%	Return on capital invested equals WACC plus 2%.	100% of TFP vests upon achievement of target; 50% vesting upon achievement of threshold (WACC plus 0%). 200% vests upon achievement of stretch target (WACC plus 4%).
3. FCF	40%	A 20% year-on-year improvement in free cash flow.	100% of TFP vests upon achievement of target; 80% vests upon achievement of threshold set at 10% year-on-year improvement; 200% vests upon a 30% year-on-year improvement, i.e. stretch target.

ii. Long-term Incentive Plan (LTI)

The LTI plan is designed to align the interests of the executive directors with those of the shareholders using financial performance measures.

The overall intention is to:

- generate a long-term sustainable financial performance for the group;
- promote long-term commitment of the executive directors to the business; and
- provide a wealth-creation mechanism for the executive directors and concomitant value creation for shareholders.

The LTI has been formulated using three metrics, the applicable targets of which are set by the board at the commencement of each financial year. Previously, a fourth metric, Total Shareholder Return, was included but due to significant changes in the group's listed peers, benchmarking against these peers is no longer appropriate. Accordingly, this metric is no longer included in the LTI calculation.

Metrics for FYE 2023

1. HEPS growth (HEPS)
2. Return on Capital Invested (ROCI)
3. Free Cash Flow (FCF)

The maximum allocation for achievement of each stretch target above is 200% of TFP, multiplied by the relevant weighting factor, whilst measurables falling below threshold result in no award being generated for that measurable.

The maximum LTI award that can be earned by executive directors for any year is therefore 200% of TFP.

Payment for the achievement of LTIs is made by way of forfeitable shares, which vest on the third anniversary of the award, but only to the extent that:

a) the annual performance measures above have been met over a consecutive three-year performance period, and

b) the performance measures are then averaged over the three-year period to determine the final measure and award.

Cliff vesting occurs at the end of the three-year period.

The forfeitable shares to be awarded to executives on vesting are acquired in the market, or from shares held in the treasury account, or from the share trust account.

The REMCO has the authority to cash settle LTI awards in exceptional circumstances.

The LTI award of forfeitable shares is calculated on an annual basis to mitigate unanticipated outcomes arising out of cyclical factors and share price volatility.

No LTI awards were earned by the CEO and CFO for FYE 2023, based upon the reported FYE 2023 results (FYE 2022: Nil).

iii. Awards made at REMCO's discretion

When evaluating executives' performance in terms of variable remuneration, REMCO also considers any extraordinary internal and external factors that may have contributed to thresholds not being met.

Forfeitable Share Plan (FSP)

The FSP was introduced in 2009 to replace the previous Stefanutti & Bressan Share Option Scheme and was approved by shareholders at a general meeting held on 25 August 2009.

For FYE 2023, the committee considers annual allocations of forfeitable shares and in terms of the FSP, any company shares required to meet the FSP, and approved by the board, are purchased in the market, at the ruling price and are therefore non-dilutory to shareholders.

The maximum number of shares issued under the FSP, in any one year, to which an executive, a company or operational director is entitled, will not exceed 1% of the current issued share capital. The aggregate number of shares granted under the FSP at any one time will not exceed 10% of the current issued share capital. Shares issued under the FSP will vest with the relevant executive, company or operational director, on the anniversary of the third year after the award date, provided the director remains employed within the group.

Revisions to the FSP were approved by shareholders at a general meeting held in April 2023. The amended FSP only comes into effect in FYE 2024.

The overall limits of the number of equity securities which may be utilised by the group for purposes of the FSP and which may be allocated to any one participant, have been amended as follows:

(i) the aggregate number of shares at any one time which may be allocated under the FSP shall not exceed 30 000 000 shares (including treasury shares) equating to approximately 16% of the current issued shares (including treasury shares); and

(ii) the maximum number of shares which may be allocated to any participant in terms of the FSP shall not exceed 16 927 267 shares (including treasury shares), representing approximately 9% of the current issued ordinary share capital (including treasury shares); and

(iii) the maximum aggregate number of shares which may at any time be settled by the issue of shares or the delivery of shares held in treasury to any participant, shall not exceed the maximum number, being 3 000 000 shares (including treasury shares), representing approximately 10% of the shares (including treasury shares) authorised by the shareholders to be available for fresh issue in connection with the FSP.

The vesting period of the awards is three years after the award date.

Executive directors' awards

The committee determines the value of forfeitable shares to be awarded to the executive directors, considering the financial performance of the group. This will be a percentage of audited financial year-end profit after tax. No awards were made during the year under review (2022: Nil).

Company and operational directors

The committee determines the value of forfeitable shares to be awarded to the company and operational directors, considering the financial performance of the group. This will be a percentage of audited financial year-end profit after tax. No awards were made during the year (FYE 2022: Nil).

3. Key Man Attraction and Retention Scheme

The committee approved the implementation of a Key Man Attraction and Retention Scheme in 2013. The primary purpose of this scheme is to enable the company to compete for new, and retain existing, key employees on an equal footing with its competitors. This remuneration is additional to the standard TFP, short and long-term incentive plans.

This scheme recognises that there are occasions when additional incentives, in the form of forfeitable shares or retention bonuses, may need to be provided, such as:

— In making an employment offer to an individual when it is necessary to offer compensation for relinquishing an existing long-term or short-term incentive; or

— To prevent the solicitation of key members of staff by third-party organisations.

The potential recruitment cost of replacement is considered in such cases.

No retention payments were allocated to the CEO and CFO in FYE 2023 (FYE 2022: nil).

In recognition of the critical participation of the executive directors going forward in the successful implementation of the group's Restructuring Plan, 1 670 000 shares were allocated to RW Crawford (CEO) under the FSP (FYE 2022: CEO — 1 670 000, previous CFO (AV Cocciante) — 1 670 000). These shares vest on the anniversary of the first year after the award date, provided the director still remains employed within the group. In view of the cash flow constraints facing the group, and with the support of RW Crawford and AV Cocciante, these shares have not yet been acquired by the group.

4. Non-executive directors' fees

Recommendations are made to the committee by the executive directors and HR Director, for onward review by the board and submission to shareholders.

Non-executive directors are compensated by way of attendance fees. The fees are set with reference to the company's industry peer group, companies of a similar size and complexity, and take account of industry practices and independent fee surveys provided to the committee by external service providers.

The fees of the Chairman, and if applicable, the Lead Independent Director, take their expanded roles into account, and are an all-inclusive fee. No distinction is made between fees payable to independent non-executive directors and other non-executive directors.

Non-executive directors qualify for reimbursement of reasonable expenses incurred in performing their duties for and on behalf of the company. Should the board require a non-executive director to undertake a specific project on behalf of the company, this will be subject to pre-authorisation and executed at a pre-approved total fee.

The non-executive director hourly fee to be approved at the AGM, is paid in respect of attendance at non-scheduled directors' meetings but is capped at the respective fee for one meeting only.

Non-executive directors do not have service contracts. Instead, letters of appointment serve to confirm their terms of engagement, and include matters such as fees, term of office, expected time commitment, share dealing and board performance assessment. The Chairman has a letter of appointment, which is specific to her responsibilities and functions.

All non-executive directors are appointed for a term of three years and are obliged to retire at the end of that period. They may offer themselves for re-election at the next AGM.

Upon recommendation from NOMCO, the board will, on an annual basis, consider the continued services of any non-executive director who has reached or exceeded a period of service of nine years with the company.

It will further consider the continued services of any non-executive director who has exceeded the normal retirement age of 70 years.

The fees paid to non-executive directors for the financial year ending 28 February 2023 and 28 February 2022 are reflected in note 25 of the consolidated annual financial statements.

Proposed non-executive directors' fees

		Current fee per meeting R	Proposed fee per meeting R
1.1 Board	Chairman	**1 007 160/annum**	1 170 000/annum
1.2 Board	Member	**53 445**	86 000
1.3 Audit, Governance and Risk Committee	Chairman	**99 750**	99 750
1.4 Audit, Governance and Risk Committee	Member	**53 445**	53 445
1.5 Remuneration and Nominations Committee	Chairman	**53 445**	59 000
1.6 Remuneration and Nominations Committee	Member	**30 555**	34 500
1.7 Social and Ethics Committee	Chairman	**44 835**	47 526
1.8 Social and Ethics Committee	Member	**24 045**	26 000
1.9 Any other committee to be formed	Chairman	**39 900**	42 294
1.10 Any other committee to be formed	Member	**21 420**	22 705
1.11 Directors' hourly rate		**2 074**	4 000
1.12 Specific project fees		**2 074**	4 000

An external benchmarking analysis of non-executive directors' (NED) fees against a comparator group of companies listed on the JSE was carried out by REMchannel. The comparator group was chosen on the basis of industry, sector, size and performance, and complexity. The analysis was deemed necessary given that NED fees were not increased in some years previously, with only inflation increases in other years. In FYE 2021, NEDs took a 30% reduction in fees for a three-month period, aligned with the COVID-19 salary reduction taken by salaried staff over the same period. Furthermore, the workload required of NEDs has increased due to the reduced size of the board.

The proposed fees are payable from the AGM for financial year ended 28 February 2023 to the AGM for the financial year ended 28 February 2025 and is set out in the table above. The proposed increase in the fees is also shown in the above table (2022 AGM: 5%).

Non-executive directors are not required to be shareholders and they do not qualify to participate in any incentive scheme that is operated by the group.

5. Directors' service contracts

Executive directors are employed on standard contracts of employment within the group. These contracts are not fixed-term contracts and do not provide for termination payment. Normal retirement age is set at 65 years.

Executive directors are subject to notice periods of one month. The employment contracts include pay in lieu of notice, and outstanding leave pay provisions which may be invoked at the discretion of the committee. A longer notice period as may be appropriate under certain circumstances, may be agreed by the committee, in which case the notice period would be regularly reviewed and reduced as necessary.

The executive directors' contracts of employment do not include provisions entitling the individual to special termination benefits or balloon payments on termination of employment or on a change of control.

Any STI and/or LTI entitlements awarded to an executive director under the EDIS scheme will be determined based on the scheme rules.

Employees terminating employment due to resignation or dismissal on grounds of misconduct, poor performance or dishonest or fraudulent conduct or due to absconding (fault termination), will forfeit all unvested STI and/or LTI awards.

Employees terminating employment due to death, retirement, retrenchment, ill health, disability or injury, will be classified as good leavers and a proportional vesting of the outstanding STI and/or LTI awards will vest on the date of termination of employment.

No provision is made for post vesting forfeiture of remuneration (i.e. claw-back).

6. Voting on remuneration

At the AGM of shareholders scheduled for 4 August 2023, the remuneration policy and the implementation report contained in this report will be put to shareholders for a non-binding vote. Shareholders will also be asked to pass a special resolution, to take effect from 4 August 2023, approving any proposed changes in non-executive directors' fees. Details of these fees are also set out in the Notice of AGM commencing on page 87.

If either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the voting rights entitled to be exercised by shareholders at the AGM, then the committee will ensure that the following measures are taken:

- An engagement process to ascertain the reasons for the dissenting votes, and
- Appropriately addressing legitimate and credible objections and concerns raised which may require amending the remuneration policy or clarifying or adjusting remuneration governance and/or processes.

A summarised version of the remuneration policy can be viewed on **www.stefanuttistocks.com**

Section C: Remuneration implementation report

1. Compensation structure

Executive directors' remuneration comprises:

Guaranteed remuneration

- a TFP approach

Variable remuneration

Under the EDIS:

- STI — one-year performance period; and
- LTI — three-year average performance period

The tables showing the breakdown of the annual remuneration of executive directors for the years ended 28 February 2023 and 28 February 2022 are set out in note 25 to the consolidated annual financial statements.

A. Guaranteed remuneration

Increases are effective from 1 March each year.

General salary increases of 5% were granted with effect 1 March 2022. Further increases of R465 and R425 were awarded to RW Crawford and Y du Plessis during the year to align with the salary reference targets adopted for the CEO and CFO respectively.

The total employee and company contributions of RW Crawford and Y du Plessis to the company pension fund, were R702 and R590 respectively.

B. Variable remuneration

STI

The total STI earned by the executive directors for FYE 2023 was R4,4 million (FYE 2022: Nil).

i. Financial performance

Financial performance measures account for 50% of possible STIs payable to executive directors.

OP

No amounts were earned by the CEO and CFO, under the OP metric awards, based upon the FYE 2023 reported results reflecting a normalised operating margin of 1,0% (FYE 2022: Nil).

ROE

No amounts were earned by the CEO and CFO under the ROE metric, based upon a negative ROE for FYE 2023 (FYE 2022: Nil)

ii. Personal performance

Personal performance measures account for 50% of possible STIs payable to executive directors.

Achievement of personal performance objectives set for the CEO and CFO, were 92,5% (FYE 2022: 97,5%) and 95,0% (FYE 2022: 100%) respectively.

Amounts earned by the CEO and CFO under personal performance measures for FYE2023 totalled R4,4million. (Feb 2022: Nil).

iii. Calculation of executives' STIs

See the table below: Calculation of executives' STIs.

LTI

i. Structure

The LTI structure provides for annual awards under the FSP, which are subject to meeting financial performance targets measured over a three-year period.

ii. Performance criteria

The performance criteria weightings for FYE 2023 are:

(i) HEPS% — 33% weighting (FYE 2022: 25%)
(ii) ROCI — 27% weighting FYE 2022: 20%)
(iii) FCF — 40% weighting FYE 2022: 30%)
(iv) TSR (Total Shareholder Return) — not applicable (FYE 2022: 25%)

iii. Awards

No awards were made under the LTI for FYE 2023, as the minimum criteria for the LTI performance measures were not achieved (FYE 2022: Nil).

Calculation of executives' STIs

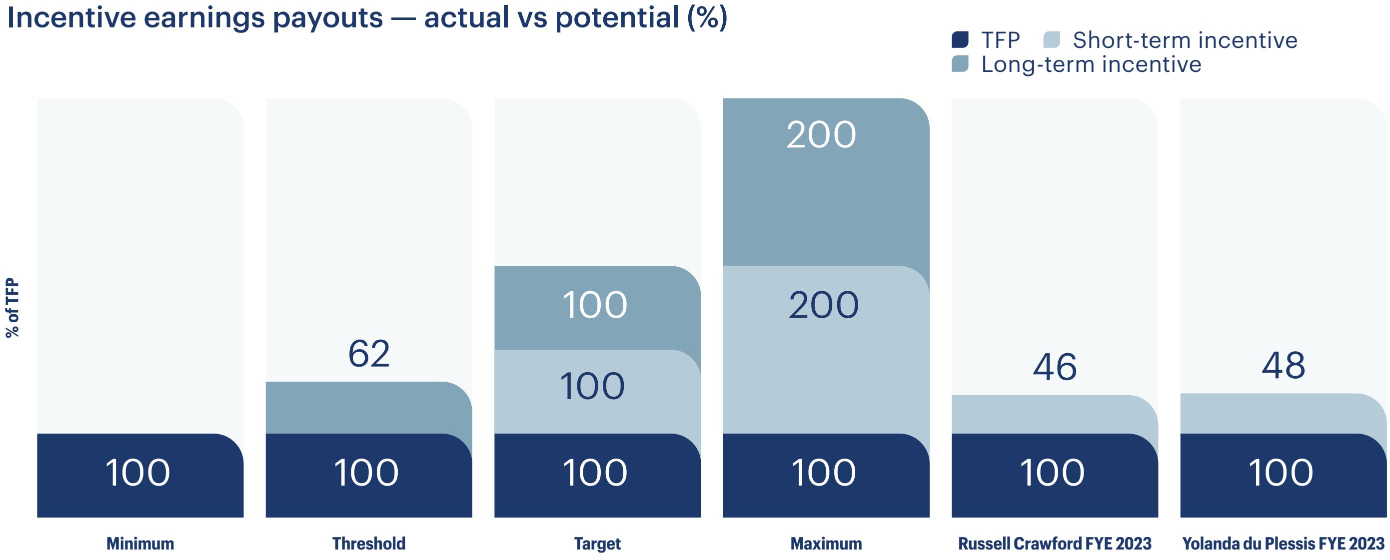
	R'000 FYE Feb 2023 TFP	Personal performance scorecard	Personal weighting %	R'000 Personal STI	R'000 FYE Feb 2023 final STI	% of TFP
RW Crawford (CEO)	5 819	92,5%	50	2 691	2 691	46
Y du Plessis (CFO)	3 653	95,0%	50	1 735	1 735	48

Remuneration disclosure of executive directors

R'000	Basic salary	Other benefits	Post-employment benefits	Short-term incentives 2023	**Total 2023**	Total 2022
RW Crawford (CEO)	4 647	120	702	2 691	**8 160**	8 307
Y du Plessis (CFO)	2 556	89	590	1 735	**4 970**	2 943

The actual incentives earned by the executive directors for FYE2023 compared to maximum incentives which could be potentially earned are shown below:

Incentive earnings payouts — actual vs potential (%)



2. Changes to EDIS

No changes were made to EDIS.

3. Policy compliance

Remuneration paid for FYE 2023 is in compliance with the company's remuneration policy.

Section D: Other

1. Interest of directors in contracts

Directors are required to notify the company of their interests in contracts and this is a standard agenda item at each board meeting. There have been no material changes post 28 February 2023 to date.

Information regarding related party transactions is set out in note 25 of the consolidated annual financial statements.

2. Prescribed officers

Directors and prescribed officers as defined in terms of the Companies Act, have been assessed and identified as executive directors and certain EXCO members who are not executive directors respectively.

3. Directors' shareholding

The beneficial holdings at 28 February 2023 and 28 February 2022, held by the directors of the company in the issued shares of the company are set out in note 25 of the consolidated annual financial statements.

4. Directors' trading in company securities

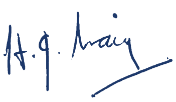
As standard group policy, directors are required to obtain clearance prior to trading in the company's securities. Such clearance must be obtained from the Chairman or the CEO. The Chairman consults the CEO or a designated director prior to her trading in the company's securities. Directors are required to inform their portfolio/investment managers not to trade in the securities of the company unless they have specific written instructions from that director to do so. Directors may not trade in their securities during closed periods.

Directors are further prohibited from dealing in the company's securities at any time when they are in possession of unpublished price-sensitive information in relation to the company, or where clearance to trade is not given.

5. Statement by the board regarding compliance with the remuneration policy

The board supports REMCO's position that the group's remuneration policy for the remuneration of executive directors and other senior executives has been considered and set taking proper account of remuneration and employment conditions throughout the group. Furthermore, the board believes that this policy, as detailed herein, drives group strategy and value creation for all stakeholders.

On behalf of the REMCO



Howard Craig
Chairman

19 June 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 28 February

	2023 R'000	Restated* 2022 R'000
Continuing operations		
Contract revenue	**5 979 555**	5 968 484
Other income	**43 754**	23 599
Operating expenses	**(5 928 213)**	(6 040 013)
Net expected credit losses	**61 477**	149 985
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**156 573**	102 055
Depreciation	**(41 540)**	(54 275)
Fair value adjustments	**(14 344)**	(26 907)
Impairment of assets	**—**	(127 478)
Operating profit/(loss) before investment income	**100 689**	(106 605)
Investment income	**28 459**	19 010
Share of (losses)/profits of equity-accounted investees	**(1 468)**	8 958
Operating profit/(loss) before finance costs	**127 680**	(78 637)
Finance costs	**(128 849)**	(112 882)
Loss before taxation	**(1 169)**	(191 519)
Taxation	**(36 330)**	(79 913)
Loss for the year	**(37 499)**	(271 432)
Profit/(loss) after tax for the year from discontinued operations	**52 086**	(143 776)
Profit/(loss) for the year	**14 587**	(415 208)
Other comprehensive income	**9 068**	(27 379)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) — Continuing operations	**41 487**	(34 292)
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss)) — Discontinued operations	**43 738**	8 002
Revaluation of land and buildings (may not be reclassified to profit/(loss)) — Continuing operations	**—**	(676)
Impairment losses recognised on re-valued assets (may not be reclassified to profit/(loss)) — Continuing operations	**—**	(413)
Reclassification of foreign currency translation reserve on deregistration of foreign subsidiary — Continuing operations	**(5 215)**	—
Reclassification of foreign currency translation reserve on disposal of foreign operation — Discontinued operations (Al Tayer Stocks LLC)	**(70 942)**	—
Total comprehensive income	**23 655**	(442 587)

* The information has been restated for the changes between continuing and discontinued operations.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 28 February continued

	2023 R'000	Restated* 2022 R'000
Profit/(loss) attributable to:		
Equity holders of the company	**14 587**	(415 208)
Continuing operations	**(37 499)**	(271 432)
Discontinued operations	**52 086**	(143 776)
	14 587	(415 208)
Total comprehensive income attributable to:		
Equity holders of the company	**23 655**	(442 587)
Continuing operations	**(1 227)**	(306 813)
Discontinued operations	**24 882**	(135 774)
	23 655	(442 587)
Earnings and diluted earnings per share (cents)		
Continuing operations	**(22,42)**	(162,30)
Discontinued operations	**31,14**	(85,97)
Total operations	**8,72**	(248,27)

* The information has been restated for the changes between continuing and discontinued operations.

Consolidated Statement of Financial Position

as at 28 February

	2023 R'000	2022 R'000
Assets		
Non-current assets	**1 038 097**	983 198
Property, plant and equipment	**458 313**	466 337
Equity-accounted investees	**32 107**	27 405
Goodwill	**272 376**	272 376
Other receivables	**58 269**	—
Deferred tax assets	**217 032**	217 080
Current assets	**3 174 774**	2 912 826
Inventories	**51 077**	51 579
Contracts in progress	**530 496**	738 384
Trade and other receivables	**1 930 016**	1 621 822
Taxation	**84 785**	72 818
Bank balances	**578 400**	428 223
Non-current assets held for sale and disposal groups	**937 558**	700 938
Total assets	**5 150 429**	4 596 962
Equity and liabilities		
Capital and reserves	**(66 364)**	(90 019)
Share capital and premium	**1 007 718**	1 007 718
Other reserves	**135 123**	126 819
Accumulated loss	**(1 209 205)**	(1 224 556)
Non-current liabilities	**261 920**	133 639
Financial liabilities	**131 451**	133 639
Excess billings over work done	**130 469**	—
Current liabilities	**4 315 855**	4 375 114
Financial liabilities	**1 204 309**	1 298 485
Trade and other payables	**1 274 463**	1 457 071
Excess billings over work done	**1 081 639**	909 550
Provisions	**648 883**	598 216
Taxation	**88 723**	92 896
Bank balances	**17 838**	18 896
Liabilities directly associated with disposal groups	**639 018**	178 228
Total equity and liabilities	**5 150 429**	4 596 962

Consolidated Statement of Changes in Equity

for the year ended 28 February

		Other reserves					
	Share capital and premium R'000	Foreign currency translation reserve R'000	Revaluation surplus reserve R'000	Legal reserve R'000	Reserves of disposal groups held for sale R'000	Accumulated loss R'000	Total equity R'000
Balance at 28 February 2021	1 007 718	27 490	21 128	764	104 816	(809 348)	352 568
Total comprehensive income	—	(34 292)	(1 089)	—	8 002	(415 208)	(442 587)
Loss for the year	—	—	—	—	—	(415 208)	(415 208)
Other comprehensive income	—	(34 292)	(1 089)	—	8 002	—	(27 379)
Balance at 28 February 2022	1 007 718	(6 802)	20 039	764	112 818	(1 224 556)	(90 019)
Realisation of legal reserve on deregistration of subsidiary	—	—	—	(764)	—	764	—
Total comprehensive income	—	36 272	—	—	(27 204)	14 587	23 655
Profit for the year	—	—	—	—	—	14 587	14 587
Other comprehensive income	—	36 272	—	—	(27 204)	—	9 068
Balance at 28 February 2023	**1 007 718**	**29 470**	**20 039**	**—**	**85 614**	**(1 209 205)**	**(66 364)**

Consolidated Statement of Cash Flows

for the year ended 28 February

	2023 R'000	2022 R'000
Cash flows from operating activities	**332 773**	(403 527)
Cash generated from/(consumed by) operations	**512 252**	(253 074)
Investment income	**15 804**	19 380
Finance costs	**(136 255)**	(115 920)
Dividends received	**505**	896
Taxation paid	**(59 533)**	(54 809)
Cash flows from investing activities	**32 999**	156 312
Proceeds received — property, plant and equipment	**56 364**	175 988
Expenditure for expansion — property, plant and equipment	**(4 779)**	(1 201)
Expenditure for maintaining — property, plant and equipment	**(33 384)**	(17 187)
Advances to equity-accounted investees	**(3 843)**	(1 288)
Proceeds on disposal of Al Tayer Stocks LLC	**18 641**	—
Cash flows from financing activities	**(112 696)**	(174 150)
Repayment of long-term financing	**(98 442)**	(163 905)
Repayment of short-term financing	**(14 254)**	(10 245)
Net increase/(decrease) in cash for the year	**253 076**	(421 365)
Cash at the beginning of the year — continuing operations	**409 327**	755 638
Cash at the beginning of the year — discontinued operations	**24 499**	91 628
Less: Cash at the end of the year — discontinued operations	**(156 264)**	(24 499)
Effect of exchange rate changes on cash and cash equivalents	**29 924**	7 925
Cash and cash equivalents at the end of the year — continuing operations	**560 562**	409 327

Notes to the summary of the financial statements

for the year ended 28 February

These consolidated annual financial statements are an extract from the full audited consolidated annual financial statements, which can be found on the website **(**www.stefstocks.com**)**.

Independent auditor's report

The unmodified independent auditor's report, which includes an emphasis of matter, can be found on page 11 of the consolidated annual financial statements as well as on the company's website www.stefanuttistocks.com. S Vorster is the individual audit partner responsible for the audit.

Restructuring Plan update

The group hereby provides shareholders with an update on the Restructuring Plan as reported in the Reviewed Condensed Consolidated Results for the 12 months ended 28 February 2023, issued on 25 May 2023.

As previously reported, the Restructuring Plan has been approved by both the company's board of directors and the Lenders and envisages, inter alia:

- the sale of non-core assets;
- the sale of underutilised plant and equipment;
- the sale of identified operations;
- a favourable outcome from the processes relating to the contractual claims and compensation events on certain projects; and
- evaluation of the capital structure including the potential of raising new equity.

The group, on 28 February 2023, reached agreement with the Lenders to extend the current capital repayment profile of the loan as well as its duration to 29 February 2024.

With respect to the final award of R90,9 million with regards to the Mechanical project termination, a capital repayment of R51 million has been made subsequent to year-end.

The loan bears interest at prime plus 3,9%, including arranging and facility fees, and is secured by special and general notarial bonds over movable assets, continuous covering mortgage bonds over immovable assets and various cessions. The loan does not contain any financial covenants but rather imposes certain information and general undertakings.

The Lenders continue to provide guarantee support for current and future projects being undertaken by the group.

The purpose of the Restructuring Plan is to put in place an optimal capital structure and access to liquidity to position the group for long-term growth.

The Restructuring Plan is anticipated to be implemented over the financial year ending February 2024 and, to the extent required, shareholder approval will be sought for certain aspects of the Restructuring Plan. The group will continue to update shareholders on the progress of the various aspects of the Restructuring Plan.

Notes to the summary of the financial statements

for the year ended 28 February continued

Going concern

The directors consider it appropriate that the group's results for the year be prepared on the going-concern basis, taking into consideration:

- the current order book;
- imminent project awards;
- continuing operations executing the group's order book profitably;
- the availability of short- and mid-term projects;
- reaching a favourable outcome on contractual claims and compensation events on certain projects;
- continued support from the Lenders; and
- successfully implementing the Restructuring Plan.

The funding provided by the Lenders has assisted with the group's liquidity, even though as at 28 February 2023 the group's current liabilities exceed its current assets by R1 141 million (Feb 2022: R1 462 million) and the group's total liabilities exceed its total assets by R66 million (Feb 2022: R90 million). The group had an accumulated loss of R1 209 million (Feb 2022: R1 225 million). The group believes it remains commercially solvent based on the cash flow projections included in the Restructuring Plan. However, the matters as noted above including uncertainties surrounding the contingent liabilities as stated in note 26 of the group's Consolidated Annual Financial Statements for the year ended 28 February 2023, continue to indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern, and as a consequence could impact on the group's ability to realise its assets and discharge its liabilities in the ordinary course of business.

1. Basis of preparation

The consolidated annual financial statements for the group have been prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The report is compliant with the relevant provisions of the Companies Act.

The accounting policies as well as the methods of computation used in the preparation of the results for the year ended 28 February 2023 are in terms of IFRS and are consistent with those applied in the audited annual financial statements for the year ended 28 February 2022.

2. Earnings, headline earnings and net asset value per share

	Total operations	
Cents per share	**2023**	2022
EPS — Basic and diluted	**8,72**	(248,27)
HEPS — Basic and diluted	**(38,73)**	(97,07)

	Weighted average shares and as at February	
	HEPS and EPS 2023	HEPS and EPS 2022
Shares used for EPS, HEPS and NAV		
Basic and diluted	**167 243 684**	167 243 684

Notes to the summary of the financial statements

for the year ended 28 February continued

2. Earnings, headline earnings and net asset value per share continued

Total operations

	Gross amount 2023 R'000	Net amount 2023 R'000	Gross amount 2022 R'000	Net amount 2022 R'000
Profit/(loss) after taxation attributable to equity holders of the company		**14 587**		(415 208)
Adjusted for:				
Net profit on disposal of plant and equipment	**(15 303)**	**(11 029)**	(11 577)	(8 324)
Net gain on disposal of non-current assets held for sale	**(4 575)**	**(3 294)**	(28 014)	(20 170)
Fair value adjustments	**14 183**	**10 350**	164 096	157 505
Loss on disposal — Al Tayer Stocks LLC		**766**		—
Realisation of foreign currency translation reserve on sale — Al Tayer Stocks LLC		**(70 942)**		—
Realisation of foreign currency translation reserve on deregistration of subsidiary		**(5 215)**		—
Reversal of gain previously recognised on sale of subsidiary		**—**		507
Impairment of goodwill		**—**		106 111
Impairment of equity-accounted investees		**—**		342
Impairment of property, plant and equipment		**—**	21 367	16 887
		(64 777)		(162 350)

3. Non-current assets held for sale and discontinued operations

3.1 Discontinued operations and disposal groups

In line with the Restructuring Plan, the group has initiated a disposal programme to sell identified operations which have accordingly been classified as discontinued operations. These disposals are expected to be concluded within the next 12 months.

On 22 November 2022 shareholders approved the disposal of SS — Construções (Moçambique) Limitada (SS Mozambique) by the company's wholly-owned subsidiaries, Stefanutti Stocks Mauritius Holdings Limited and Stefanutti Stocks International Holdings Proprietary Limited. The completion of the transaction is subject to the fulfilment and/or waiver of certain conditions precedent, of which one remains outstanding at year-end. Subsequently, and in terms of the agreements, the parties to the transaction have agreed to extend the date to fulfill and/or waive the last outstanding condition precedent to 31 December 2023.

The East Coast Procurement division, which deals with the group's import and export of goods and services, previously envisaged to form part of the SS Mozambique transaction has been retained and therefore, reclassified as part of continuing operations. The comparative period has been restated in the Statement of Profit or Loss and Other Comprehensive Income to reflect this reclassification.

On 18 July 2022 shareholders were advised that the disposal of Al Tayer Stocks LLC became unconditional. The transaction is being implemented subject to the terms of the agreement and the final purchase consideration of approximately R83 million, included in other current assets, is expected to be paid in due course. As previously disclosed, R92 million was received in November 2021, R11 million in May 2022, R8 million in October 2022 and R16 million in April 2023. The realisation of a foreign exchange gain of R71 million included within reserves, has been reclassified to profit or loss on disposal. Al Tayer Stocks LLC is included within discontinued operations as it represents a geographical area in which the group operated.

The financial performance, reportable assets and reportable liabilities of SS Mozambique are presented within the Africa and Coastal Regions and Al Tayer Stocks LLC is disclosed as a reconciling segment.

Notes to the summary of the financial statements

for the year ended 28 February continued

3. Non-current assets held for sale and discontinued operations continued

Statement of financial position

	2023 R'000	2022 R'000		
	Foreign operations	Local operations	Foreign operations	Total
Non-current assets	**367 468**	2	445 883	445 885
Property, plant and equipment	**336 375**	2	277 658	277 660
Equity-accounted investee — Al Tayer Stocks LLC	**—**	—	168 225	168 225
Deferred tax assets	**31 093**	—	—	—
Current assets	**593 669**	2 081	201 362	203 443
Inventories	**120 743**	37	97 856	97 893
Contracts in progress	**100 167**	—	17 713	17 713
Trade and other receivables	**189 361**	550	50 179	50 729
Taxation	**3 843**	—	1 172	1 172
Bank balances	**179 555**	1 494	34 442	35 936
	961 137	2 083	647 245	649 328
Less: Fair value adjustment — Disposal group	**(73 721)**	—	(61 840)	(61 840)
Total assets	**887 416**	2 083	585 405	587 488
Non-current liabilities	**240**	—	—	—
Financial liabilities	**195**	—	—	—
Deferred tax liabilities	**45**	—	—	—
Current liabilities	**638 778**	4 340	173 888	178 228
Financial liabilities	**438**	—	461	461
Trade and other payables	**144 836**	4 198	114 473	118 671
Excess billings over work done	**468 717**	—	35 604	35 604
Provisions	**1 496**	142	11 913	12 055
Bank balances	**23 291**	—	11 437	11 437
Total liabilities	**639 018**	4 340	173 888	178 228

The movement of the Equity-accounted investee Al Tayer Stocks LLC can be reconciled as follows:

	2023 R'000	2022 R'000
Equity-accounted investee — Al Tayer Stocks LLC	**—**	168 225
Opening balance	**168 225**	267 689
Foreign exchange movement	**20 539**	(23 863)
Fair value adjustment	**—**	(75 601)
Disposal	**(188 764)**	—

Notes to the summary of the financial statements

for the year ended 28 February continued

3. Non-current assets held for sale and discontinued operations continued

Statement of profit or loss and other comprehensive income

	2023 R'000	Restated 2022 R'000		
	Disposal groups	Discontinued operations	Disposal groups	Total
Contract revenue	**347 835**	74 748	271 861	346 609
Other income	**87 957**	24 692	12 352	37 044
Operating expenses	**(406 290)**	(92 182)	(269 911)	(362 093)
Net expected credit loss	**(73)**	—	(222)	(222)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	**29 429**	7 258	14 080	21 338
Depreciation	—	(10 058)	—	(10 058)
Fair value adjustments ^	**161**	(517)	(137 437)	(137 954)
Operating profit/(loss) before investment income	**29 590**	(3 317)	(123 357)	(126 674)
Investment income	**349**	154	558	712
Operating profit/(loss) before finance costs	**29 939**	(3 163)	(122 799)	(125 962)
Finance costs	**(5 580)**	(2 772)	(217)	(2 989)
Profit/(loss) before taxation	**24 359**	(5 935)	(123 016)	(128 951)
Taxation	**27 727**	—	(14 825)	(14 825)
Profit/(loss) for the year	**52 086**	(5 935)	(137 841)	(143 776)
Other comprehensive income	**(27 204)**	—	8 002	8 002
Exchange differences on translation of foreign operations (may be reclassified to profit/(loss))	**43 738**	—	8 002	8 002
Reclassification of foreign currency translation reserve on disposal of foreign operation — Al Tayer Stocks LLC	**(70 942)**	—	—	—
Total comprehensive income	**24 882**	(5 935)	(129 839)	(135 774)
Profit/(loss) attributable to equity holders of the company	**52 086**	(5 935)	(137 841)	(143 776)
Total comprehensive income attributable to equity holders of the company	**24 882**	(5 935)	(129 839)	(135 774)
Earnings and diluted earnings per share (cents)	**31,14**			(85,97)
Headline and diluted headline earnings per share (cents)	**(10,93)**			(14,19)
The profit is arrived at after taking into account the following:				
Employee benefits	**(129 574)**			(258 101)
Foreign exchange	**87 459**			12 313
Net profit/(loss) on disposal of plant and equipment	**57**			(1)
Net gain on disposal of non-current assets held for sale	—			24 692

^ The fair value adjustments relate to the write-down of the carrying amount of the disposal groups to their fair value less costs to sell as required by IFRS 5.

Notes to the summary of the financial statements

for the year ended 28 February continued

3. Non-current assets held for sale and discontinued operations continued

3.2 Non-current assets held for sale

The following items of property, plant and equipment were reclassified as held for sale as the group is actively marketing these assets and is expected to dispose of these within a year. Current market conditions resulted in the delay of these disposals. The group remains committed to the sale processes as envisaged in the Restructuring Plan.

Property, plant and equipment

	Regions	2023 R'000	2022 R'000
Land and buildings	Inland Region	**743**	31 293
Transport and motor vehicles	Inland and Coastal Region	**—**	167
Plant and equipment	Inland, Coastal and Western Cape Region	**42 854**	74 790
		43 597	106 250
Opening balance		**106 250**	187 908
Transfer (to)/from property, plant and equipment		**(8 452)**	71 708
Disposal of property, plant and equipment		**(40 512)**	(125 415)
Impairment recognised against revaluation reserve		**—**	(531)
Fair value adjustments recognised in profit or loss — continuing operations		**(13 689)**	(26 903)
Fair value adjustments — discontinued operations		**—**	(517)

4. Contingent liabilities and contingent assets

The arbitration matter relating to the cancellation of a petrochemical contract had to be postponed due to a fundamental change in the client's defence. A date for the arbitration is yet to be set. At this stage the financial impact thereof cannot be quantified.

With respect to a contract mining project termination, the matter is proceeding to arbitration. This arbitration is expected to commence in October 2023. The group is confident that the termination was lawful and therefore no provision has been made.

With respect to the mechanical project termination, the arbitration process has been completed and a final award has been made subsequent to year-end. In terms of the award, Stefanutti Stocks was awarded R90,9 million. In addition, legal fees have also been awarded and are subject to taxing in accordance with the High Court tariff. As soon as this process has been completed, shareholders will be advised accordingly.

Further to the announcement dated 30 November 2022, with respect to the Arbitration relating to a contractual claim on the construction of the Kalabo-Sikongo-Angola border gate road in the Western Province of Zambia, shareholders are advised that the client applied to set the Arbitral Tribunal award aside, citing "contrary to public policy" and "matters beyond the scope of the Arbitration." The hearing was heard on the 24 February 2023 and the Judge reserved judgment for 90 days.

Notes to the summary of the financial statements

for the year ended 28 February continued

Eskom — Kusile power project

As previously highlighted to shareholders in numerous announcements and updates since late 2018, the group continues to pursue a number of contractual claims and compensation events on the Kusile power project.

Since August 2021, the group has secured payment of a combined total of R110 million for measured work and the Dispute Adjudication Board (DAB) rulings. Substantial variations are still being agreed with Eskom. The outcome thereof will determine whether further certification will be secured for measured works or whether the variations will be referred to the DAB.

Stefanutti Stocks and Eskom (the parties) have entered into an "Interim Arrangement for the Purposes of Agreeing or Determining the Contractor's Claims and Facilitating the Dispute Resolution Process" in February 2020, for all delay events up to the end of December 2019. This process involves the appointment of independent experts (the experts) to evaluate the causes, duration and quantification of delays.

Further to the above, the parties and the DAB have signed a memorandum of understanding (MOU) as set out below:

- The DAB will issue decisions confirming entitlements, which entitlements the experts have agreed to, which will then be binding on the parties;
- The DAB will rely on the experts for the narrowing of the issues and information to be considered in its assessments;
- The DAB will continue to make interim decisions on the narrowed issues and information, in a progressive manner which will be binding on the parties;
- The DAB will issue such interim decisions for duration and quantification; and
- At the end of the process the DAB will issue a final binding decision in terms of the contract with respect to duration and quantification, at which point either party may issue a notice of dissatisfaction and refer the dispute to arbitration

The group has submitted the following provisional claims to the experts after taking into account all payments received to date on the project:

1. an overarching preliminary and general cost claim of R337 million;
2. a subcontractor overarching preliminary and general cost claim of R194 million;
3. a construction cost claim of R438 million; and
4. a finance cost claim of R171 million.

Therefore, the total of all provisional claims submitted to the experts is R1,140 billion. In terms of the process as outlined above the experts will review all claims, draft agreements and narrow issues of difference for referral to the DAB for a decision. The ongoing process will address the final phase of the delay analysis in the coming months. Once this is concluded, the group will submit its final consolidated claims, which will include the commissioning and interest costs soon thereafter.

The group envisages that the DAB will issue its binding decision before the end of the February 2024 financial year, at which point either party may issue a notice of dissatisfaction and refer the dispute to arbitration.

At this stage, the group's claims team is unable to quantify the value of the potential awards nor the exact timing thereof, as the claims must follow due process. Therefore, these provisional claims have not been recognised in the financial statements as the outcome of the process remains uncertain.

Notice of annual general meeting

Stefanutti Stocks Holdings Limited

(Incorporated in the Republic of South Africa)
Registration number: 1996/003767/06
Share code: SSK ISIN: ZAE000123766
(Stefanutti Stocks or the company)

Notice is hereby given to the shareholders of the company that the annual general meeting (AGM) of Stefanutti Stocks for the year ended 28 February 2023 will be held on **Friday, 4 August 2023 at 12:00**, entirely through electronic communication as permitted by the company's Memorandum of Incorporation, the Companies Act, No. 71 of 2008, as amended (Companies Act), to (i) consider and, if deemed fit, to pass, with or without modification, the following ordinary and special resolutions, in the manner required by the Companies Act, as read with the JSE Limited (JSE) Listings Requirements (JSE Listings Requirements); and (ii) deal with such other business as may lawfully be dealt with at the AGM.

This notice of annual general meeting (Notice) is available in English only and copies thereof may be obtained from the registered office of the company at No. 9 Palala Street Protec Park, Cnr Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, 1619 or by emailing the Company Secretary at **w.somerville@mweb.co.za**, from date of issue hereof until the date of the AGM.

As indicated above, the AGM will be held entirely through electronic communication; however, in order to facilitate the effective and efficient conduct of the AGM, all shareholders are requested to submit their votes by proxy before the AGM at their earliest convenience. Shareholders intending to participate and/or vote at the AGM are required to complete the registration form (Registration Form) annexed hereto as Annexure A. When completing the registration form, participants will be required to provide proof of identification and accordingly the registration validation process will include the requisite verification required by section 63(1) of the Companies Act. Further details on how to participate in the AGM by electronic communication are provided on page 97 of this Notice. Shareholders are advised that the email addresses and/or contact numbers provided by shareholders in their completed Registration Forms are the only addresses and/or contact numbers that will be recognised for purposes of electronic participation (including voting, where applicable) at the AGM.

For administrative purposes only, any shareholder (or representative or proxy of a shareholder) will need to register, by no later than **12:00 on Wednesday 2 August 2023**, to participate in the AGM. Details on how to register to participate in the AGM are set out in Annexure A to this Notice.

Important dates

- **Record date to receive the Notice:** Thursday, 15 June 2023
- **Distribution of Integrated Annual Report:** Wednesday, 28 June 2023
- **Last date to trade to be eligible to vote:** Tuesday, 25 July 2023
- **Record date to be eligible to vote:** Friday, 28 July 2023
- **For administrative purposes only, the last date for lodging forms of proxy (by 12:00):** Wednesday, 2 August 2023

Accordingly, the date on which a person must be registered as a shareholder in the register of the company for purposes of being entitled to participate and vote at the meeting is **Friday, 28 July 2023**.

Identification

In terms of section 63(1) of the Companies Act, before any person may attend or participate in AGM (including any representative or proxy), that person must present reasonably satisfactory identification (such as identity documents or identity card issued by the South African Department of Home Affairs, driver's licences or passports) and the person presiding at the AGM must be reasonably satisfied that the right of the person to participate at the AGM, either as a shareholder or as a proxy for a shareholder, has been reasonably verified before they may attend or participate in the AGM.

A shareholder or its representative or proxy, as the case may be, will be required to provide the company's transfer secretaries, Computershare Investor Services Proprietary Limited (Computershare) with reasonably satisfactory identification as a part of the validation process to participate in the electronic AGM. Failure to do so may mean that the participant is unable to participate in the AGM either at all, or promptly. The company and Computershare shall not be liable for any failure by any shareholder or its representative or proxy, as the case may be, to timeously deliver the requisite identification as aforesaid.

Presentation of annual financial statements

In terms of section 61(8)(a) and regulation 43(5)(c) of the Companies Act, the company must present the Audit, Governance and Risk Committee report, the directors' report and the Social and Ethics Committee report at the AGM. The directors' report and the Audit, Governance and Risk Committee report are set out on pages 3 to 10 of the Stefanutti Stocks Group Consolidated Annual Financial Statements 2023.

The Social and Ethics Committee report is set out on pages 58 and 59 of this integrated annual report.

The consolidated annual financial statements of the company and its subsidiaries (as approved by the board of directors of the company), including the directors' report, the report of the Audit, Governance and Risk Committee, the Social and Ethics Committee and the external auditors' report for the year ended 28 February 2023, have been distributed as required and will be presented to shareholders.

The consolidated annual financial statements of the company for the year ended 28 February 2023 can be found on the website of the company (**www.stefstocks.com**) or on request during business hours at the registered office of the company (No. 9 Palala Street Protec Park, Cnr Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, 1619).

Ordinary resolutions

Ordinary resolution 1: Adoption of annual financial statements

"RESOLVED THAT the annual financial statements of the company for the year ended 28 February 2023, including the directors' report and the reports of the Audit, Governance and Risk Committee and the Social and Ethics Committee, be and are hereby received and adopted."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Retirement by rotation

In terms of the Memorandum of Incorporation, one-third of the non-executive directors shall retire by rotation at the AGM.

The following directors retire at this AGM and, being eligible, offer themselves for re-election: B Harie and BP Silwanyana. The board has considered their performance, including their attendance at meetings of the board and its committees, and recommends and supports their re-election.

Ordinary resolution 2: Re-election of director

"RESOLVED THAT, B Harie, who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be re-elected as a director of the company."

A brief curriculum vitae in respect of B Harie is included on page 44 of this integrated annual report of which this Notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 3: Re-election of director

"RESOLVED THAT, BP Silwanyana , who retires by rotation in terms of the Memorandum of Incorporation of the company and who is eligible and available for re-election, be re-elected as a director of the company."

A brief curriculum vitae in respect of BP Silwanyana is included on page 45 of this integrated annual report of which this Notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 4: Appointment of auditors

"RESOLVED THAT, on recommendation of the Audit, Governance and Risk Committee, Mazars be and is hereby re-appointed as auditors of the company for the ensuing financial year with Mr S Vorster (IRBA No: 888648) as the individual responsible for the audit and the directors be and are hereby authorised to fix the remuneration of the auditors of the company."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution numbers 5, 6 and 7 and: Appointment of Audit, Governance and Risk Committee members

Ordinary resolution numbers 5, 6 and 7 are in respect of the appointment of members of the Audit, Governance and Risk Committee. The membership as proposed by the board of directors is: B Harie, BP Silwanyana and HJ Craig all of whom are independent non-executive directors.

Ordinary resolution 5: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT B Harie be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act."

A brief curriculum vitae in respect of B Harie is included on page 44 of this integrated annual report of which this Notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 6: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT BP Silwanyana be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act."

A brief curriculum vitae in respect of BP Silwanyana is included on page 45 of this integrated annual report of which this Notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 7: Appointment of Audit, Governance and Risk Committee member

"RESOLVED THAT HJ Craig be appointed as a member of the company's Audit, Governance and Risk Committee with effect from the end of this meeting in terms of section 94(2) of the Companies Act."

A brief curriculum vitae in respect of HJ Craig is included on page 44 of this integrated annual report of which this Notice forms part.

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Ordinary resolution 8: Company's remuneration policy

"To approve on a non-binding advisory basis, the company's remuneration policy (excluding the remuneration of the non-executive directors for the services as directors and members of board committees)."

The company's remuneration policy and related information appears on pages 65 to 72 of the integrated annual report.

Ordinary resolution 9: Company's remuneration implementation report

"To approve on a non-binding advisory basis, the company's remuneration implementation report".

The company's remuneration implementation report appears on pages 73 to 74 of the integrated annual report.

Notes to ordinary resolution numbers 8 and 9

In terms of principle 14 of King IV Report on Corporate Governance for South Africa, 2016, the company's remuneration policy and implementation report should be tabled to the shareholders for separate non-binding advisory votes at the AGM. Accordingly, the shareholders are requested to endorse the company's remuneration policy and implementation report, respectively by way of separate non-binding advisory votes in the same manner as an ordinary resolution.

In the event that either the remuneration policy or the implementation report, or both, are voted against by shareholders exercising 25% or more of the voting rights exercised at the AGM, the company will engage with the dissenting shareholders to establish their reasons for voting against the resolution(s) and to appropriately address legitimate and reasonable objections and concerns raised and undertake to review, clarify or amend the remuneration policy and/or process as necessary.

Ordinary resolution 10: Authority for signature of documentation

"RESOLVED THAT a director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolutions numbers 1 to 9 and special resolutions numbers 1 to 3 which are passed by the shareholders."

Percentage of voting rights required to pass this resolution: 50% plus one vote.

Special resolutions

Special resolutions 1.1 to 1.12: Non-executive directors' fees

"RESOLVED THAT payment to the non-executive directors of the fees for services as directors with effect from the date of this AGM until the date of the annual general meeting of the company for the year ended 28 February 2025, as noted in the table on page 90, as well as any value added tax payable on such fees by the directors be approved."

Each of special resolutions 1.1 to 1.12, in respect of the payment to the non-executive directors of the fees for services as directors, will be considered by way of separate vote.

Reason for and effect of special resolutions 1.1 to 1.12

The reason for special resolutions 1.1 to 1.12 is to comply with the provisions of the Companies Act. The effect of the special resolutions is that, if approved by the shareholders at the AGM, the fees payable to non-executive directors until the annual general meeting for the year ended 28 February 2025, will be as set out in the table on page 90. Executive directors are not remunerated for their services as directors but are remunerated as employees of the company.

The above rates have been proposed to ensure that the remuneration of non-executive directors remains competitive in order to enable the company to retain and attract persons of the calibre, appropriate capabilities, skills and experience required in order to make meaningful contributions to the company.

Percentage of voting rights required to pass this resolution: 75%.

Special resolution 2: Financial assistance

"RESOLVED THAT the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance including (without limitation) by way of loan, guarantee, the provision of security or otherwise, to its present or future subsidiaries and/or any other company or entity that is or becomes related or interrelated to the company or any of its subsidiaries, and/or to any member of such subsidiary or related or interrelated company or entity, on such terms and conditions as the board of directors deem fit for any purpose or in connection with any matter, including, but not limited to, the subscription for any option, or any securities issued or to be issued by the company or a related or interrelated company or entity, or for the purchase of any securities of the company or a related or interrelated company or entity, for such amounts and on such terms and conditions as the directors of the company may determine, such authority to endure until the annual general meeting of the company for the year ended 28 February 2025."

The authority, if obtained, will supersede any previously obtained and in force section 44/45 authority as at the date of the AGM.

Percentage of voting rights required to pass this resolution: 75%.

Reason for and effect of special resolution 2

Notwithstanding the title of section 45 of the Companies Act, being "Loans or other financial assistance to directors", on a proper interpretation, the body of the section may also apply to financial assistance provided by a company to related or interrelated companies and other entities, including, inter alia, its subsidiaries, associates, joint ventures, partnerships, collaboration arrangements, etc. for any purpose.

Furthermore, section 44 of the Companies Act may also apply to the financial assistance so provided by a company to related or interrelated companies or other entities, in the event that the financial assistance is provided for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or interrelated company, or for the purchase of any securities of the company or a related or interrelated company.

Both sections 44 and 45 of the Companies Act provide, inter alia, that the particular financial assistance must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 (two) years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category and the board of directors must be satisfied that:

- immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test; and
- the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

The company would like the ability to provide financial assistance, if necessary, also in other circumstances, in accordance with section 45 of the Companies Act. Furthermore, it may be necessary or desirous for the company to provide financial assistance to related or interrelated companies and entities to acquire or subscribe for options or securities or purchase securities of the company or another company related or interrelated to it.

Table to special resolutions 1.1 to 1.12

		Current fee per meeting R	Proposed fee per meeting R
1.1 Board	Chairman	**1 007 160/annum**	1 170 000/annum
1.2 Board	Member	**53 445**	86 000
1.3 Audit, Governance and Risk Committee	Chairman	**99 750**	99 750
1.4 Audit, Governance and Risk Committee	Member	**53 445**	53 445
1.5 Remuneration and Nominations Committee	Chairman	**53 445**	59 000
1.6 Remuneration and Nominations Committee	Member	**30 555**	34 500
1.7 Social and Ethics Committee	Chairman	**44 835**	47 526
1.8 Social and Ethics Committee	Member	**24 045**	26 000
1.9 Any other committee to be formed	Chairman	**39 900**	42 294
1.10 Any other committee to be formed	Member	**21 420**	22 705
1.11 Directors' hourly rate (note 4)		**2 074**	4 000
1.12 Specific project fees (note 5)		**2 074**	4 000

Notes:

1. The board Chairman receives an all-in fee and not a per meeting fee.
2. The fees include permanent non-executive invitees of committees.
3. Proposed fee per meeting and the board Chairman's all-in fee are exclusive of value-added tax.
4. The non-executive director hourly fee to be approved at the AGM, is paid in respect of attendance at non-scheduled directors' meetings. However, where these special board or committee meetings are held, the total fee earned per director is capped at the fee for one meeting of the relevant committee.
5. Should the board require a non-executive director to undertake a specific project on behalf of the company, then prior to commencement, a total fee based upon scope, duration and expertise required is established, agreed and submitted to the board for approval. Thereafter this is monitored over the course of the specific project. The cumulative fees will be capped to a maximum of R350 000 per annum.
6. The proposed fee is payable from the AGM for financial year ended 28 February 2023 to the AGM for the financial year ended 28 February 2025.
7. Details of the fee increases as set out above have been proposed for approval at the AGM to be held on 4 August 2023.

Under the Companies Act, the company will, however, require the special resolution referred to above to be adopted. In the circumstances and in order to, inter alia, ensure that the company's subsidiaries and other related and interrelated companies and entities have access to financing and/or financial backing from the company (as opposed to banks), it is necessary to obtain the approval of shareholders, as set out in special resolution 2.

Special resolution 3: General authority to repurchase company shares

"RESOLVED THAT the company and/or its subsidiaries be and is hereby authorised, by way of general authority, to acquire ordinary shares issued by the company, from any person and upon such terms and conditions as the directors of the Company or any subsidiary may determine but subject to the applicable requirements of the Companies Act, the Memorandum of Incorporation of the company and the JSE Listings Requirements."

It is recorded that the company or any subsidiary may only make a general repurchase of shares in the company subject to the following:

a) any such acquisition of ordinary shares shall be implemented on the open market of the JSE 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);
b) this general authority shall only be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date of passing this special resolution;
c) an announcement will be published on SENS as soon as the company has acquired ordinary shares constituting, on a cumulative basis, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition, and for each subsequent acquisition constituting on a cumulative basis 3% (three percent) of the number of ordinary shares in issue, pursuant to which the aforesaid 3% (three percent) threshold is reached, containing full details of such repurchases;
d) acquisitions in aggregate in any one financial year may not exceed 20% (twenty percent) of the company's ordinary issued share capital nor may acquisitions in aggregate, from the date of passing this special resolution, exceed 20% (twenty percent) of the company's ordinary issued share capital at the date of passing this special resolution;
e) in determining the price at which ordinary shares issued by the company are acquired by it in terms of this general authority, the maximum premium at which such ordinary shares may be acquired will be 10% (ten percent) of the volume weighted average market value at which such ordinary shares are traded on the JSE, as determined over the 5 (five) trading days immediately preceding the date of repurchase of such ordinary shares by the company;
f) at any point in time, the company will appoint only one agent to effect any repurchase(s) on the company's behalf;
g) the company or its subsidiary may not repurchase securities during a prohibited period unless it has in place a repurchase programme as contemplated in terms of 5.72(g) of the JSE Listings Requirements where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of the repurchase programme has been submitted to the JSE in writing prior to the commencement of the prohibited period. The company will instruct an independent third party, which makes its investment decisions in relation to the company's ordinary shares independently of, and uninfluenced by, the company, prior to the commencement of the prohibited period to execute any repurchase programme submitted to the JSE;
h) authorisation for the repurchase of ordinary shares under this authority is given by the Memorandum of Incorporation; and
i) a resolution by the board of directors that it has authorised the repurchase, that the company and its subsidiaries have passed the solvency and liquidity test as defined in the Companies Act and that, since the test was performed, there have been no material changes to the financial position of the group.

Percentage of voting rights required to pass this resolution: 75%.

Reason for and effect of special resolution 3

The reason for special resolution 3 is to grant the company a general authority in terms of the Companies Act, the JSE Listings Requirements and the company's Memorandum of Incorporation for the acquisition by the company, or any of its subsidiaries, of shares issued by the company, or its holding company, which authority shall be valid until the earlier of the next annual general meeting of the company or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the company, provided that the general authority shall not extend beyond 15 (fifteen) months from the date of this AGM. The passing of this special resolution will have the effect of authorising the company or any of its subsidiaries to acquire shares issued by the company or its holding company.

The board believes it to be in the interest of the company that shareholders grant a general authority to provide the board with optimum flexibility to repurchase shares as and when an opportunity that is in the best interest of the company arises.

Directors' responsibility statement (paragraph 11.26(b)(iv) of the Listings Requirements)

The directors whose names appear under the board of directors on pages 44 and 45 of this integrated annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 the special resolution contains all information required by the JSE Listings Requirements.

Material changes (paragraph 11.26(b)(ii) of the Listings Requirements)

Other than the facts and developments reported on in this integrated annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this Notice.

Statement by the board of directors of the company

Pursuant to, and in terms of, the JSE Listings Requirements, the board of directors of the company hereby state that:

- the intention of the directors of the company is to utilise the general authority to repurchase shares in the capital of the company if, at some future date, the cash resources of the company are in excess of its requirements or there are other good reasons for doing so. In this regard, the directors will take account of, inter alia, an appropriate capitalisation structure for the company, the long-term cash needs of the company, and the interests of the company; and
- in determining the method by which the company intends to repurchase its ordinary shares, the maximum number of ordinary shares to be repurchased and the date on which such repurchase will take place, the directors of the company will ensure that:
  - the company and its subsidiaries will, after the repurchase, be able to pay their debts as they become due in the ordinary course of business for the next 12 (twelve) months after the date of such repurchase;
  - the consolidated assets of the company and its subsidiaries fairly valued and recognised and measured in accordance with the accounting policies used in the latest audited financial statements will, after the repurchase, be in excess of the consolidated liabilities of the company and its subsidiaries for the next 12 (twelve) months after the date of such repurchase;
  - the issued share capital and reserves of the company and its subsidiaries will, after the repurchase, be adequate for the ordinary business purposes of the company and its subsidiaries for the next 12 (twelve) months after the date of such repurchase; and
  - the working capital available to the company and its subsidiaries will, after the repurchase, be sufficient for the ordinary business requirements of the company and its subsidiaries for the next 12 (twelve) months after the date of such repurchase.

Any matters raised by shareholders, with or without advance notice to the company

To deal, at the AGM, with any matters raised by shareholders, with or without advance notice to the company.

Summary of applicable rights established in section 58 of the Companies Act

For purposes of this summary, the term "shareholder" shall have the meaning ascribed thereto in section 57(1) of the Companies Act.

1. At any time, a shareholder of a company is entitled to appoint any individual, including an individual who is not a shareholder of that company, as a proxy to participate in, speak and vote at a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:

   3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder; and

   3.2 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy:

   4.1 the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company; and

   4.2 should the instrument used to appoint a proxy be revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the relevant company.

5. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the relevant shareholder as of the later of the date:

   5.1 stated in the revocation instrument, if any; or

   5.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.

6. Should the instrument appointing a proxy or proxies have been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder must be delivered by such company to:

   6.1 the shareholder; or

   6.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.

7. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the Memorandum of Incorporation of the relevant company or the instrument appointing the proxy provides otherwise.

8. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:

   8.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;

   8.2 the company must not require that the proxy appointment be made irrevocable; and

   8.3 the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.

Voting and proxies

A shareholder of the company entitled to attend and vote at the AGM is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, vote and speak in his/her stead. The appointment of a proxy will not preclude the shareholder who appointed the proxy from attending the AGM and participating in and voting at the AGM to the exclusion of any such proxy.

Voting at the AGM will be taken by way of a poll and not on a show of hands.

On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Dematerialised shareholders who have elected own-name registration in the sub-register through a Central Securities Depository Participant (CSDP) and who are unable to attend but wish to vote at the AGM, should complete and return the attached form of proxy and lodge it with the transfer secretaries of the company to be received, for administrative reasons only, by no later than **12:00 on Wednesday, 2 August 2023**.

Shareholders who have dematerialised their shares through a CSDP or broker rather than through own-name registration and who wish to attend the AGM must instruct their CSDP or broker to issue them with the necessary authority to attend.

If such shareholders are unable to attend, but wish to vote at the AGM, they should timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and his/her CSDP or broker.

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or emailed to the transfer secretaries at the address below, to be received, for administrative reasons only, at least 48 hours prior to the meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM.

Any member who completes and lodges a form of proxy will nevertheless be entitled to attend and vote at the AGM should the member subsequently decide to do so.

As indicated above, the AGM will be held entirely through electronic communication. However, in order to facilitate the effective and efficient conduct of the AGM, all shareholders are requested to submit their votes by proxy before the AGM at their earliest convenience. Shareholders intending to participate and/or vote at the AGM are required to complete the Registration Form annexed hereto as Annexure A. When completing the Registration Form, participants will be required to provide proof of identification and accordingly the registration validation process will include the requisite verification required by section 63(1) of the Companies Act, 71 of 2008. Further details on how to participate in the AGM by electronic communication are provided on page 97 of this Notice.

Shareholders are advised that the email addresses and/or contact numbers provided by shareholders in their completed Registration Forms are the only addresses and/or contact numbers that will be recognised for purposes of electronic participation (including voting, where applicable) at the AGM.

The practical applications of the aforementioned rights are discussed in the notes to the proxy form attached hereto.

By order of the board

William Somerville
Company Secretary

19 June 2023

Registered office
No. 9 Palala Street
Protec Park
Cnr Zuurfontein Avenue and Oranjerivier Drive Kempton Park
1619

PO Box 12394, Aston Manor, 1630

Telephone: +27 11 571 4300

Transfer secretaries
Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank
Johannesburg
2196

Private Bag X9000, Saxonwold, 2132

Telephone: +27 11 370 5000
Fax: +27 11 688 5238
Email: proxy@computershare.co.za

Form of proxy

Stefanutti Stocks Holdings Limited

(Incorporated in the Republic of South Africa) Registration number: 1996/003767/06 Share code: SSK ISIN: ZAE000123766 ("Stefanutti Stocks" or "the company")

For use at the AGM of the company to be held entirely electronically on **Friday, 4 August 2023 at 12:00** and at any adjournment thereof.

For use by the holders of the company's certificated ordinary shares and/or dematerialised ordinary shares held through a Central Securities Depository Participant (CSDP) or broker who have selected own-name registration (own-name dematerialised shareholders). Additional forms of proxy are available from the transfer secretaries of the company.

Not for the use by holders of the company's dematerialised ordinary shares who are not own-name dematerialised shareholders. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote thereat in accordance with their instructions. Terms used in this proxy form have the meanings given to them in the notice of annual general meeting to which this proxy form is attached.

I/We ______________________________ (full name in block letters)

of ______________________________ (address)

______________ (e-mail address) ______________ (telephone number) ______________ (cellphone number)

being a member(s) of Stefanutti Stocks and holding ______________ ordinary shares in the company,

hereby appoint ______________ of ______________

failing him/her ______________ of ______________

failing him/her the chairman of the annual general meeting, as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the special and ordinary resolutions and/or abstain from voting in respect of the Stefanutti Stocks ordinary shares registered in my/our name(s), in accordance with the following instructions:

	Number of votes		
	For	Against	Abstain
Ordinary resolutions			
1. To adopt the annual financial statements of the company for the year ended 28 February 2023, including the directors' report and the report of the Audit, Governance and Risk Committee and the Social and Ethics Committee			
2. To re-elect B Harie as a director of the company			
3. To re-elect BP Silwanyana as a director of the company			
4. To re-appoint the auditors and the audit partner			
5. To appoint B Harie as a member of the Audit, Governance and Risk Committee			
6. To appoint BP Silwanyana as a member of the Audit, Governance and Risk Committee			
7. To appoint HJ Craig as a member of the Audit, Governance and Risk Committee			
8. To approve the company's remuneration policy			
9. To approve the company's remuneration implementation report			
10. Authority for signature of documentation			
Special resolutions			
1. To approve non-executive directors' fees — Special resolutions 1.1 to 1.12			
1.1 Board Chairman			
1.2 Board member			
1.3 Audit, Governance and Risk Committee Chairman			
1.4 Audit, Governance and Risk Committee member			
1.5 Remuneration and Nominations Committee Chairman			
1.6 Remuneration and Nominations Committee member			
1.7 Social and Ethics Committee Chairman			
1.8 Social and Ethics Committee member			
1.9 Any other committee to be formed — Chairman			
1.10 Any other committee to be formed — member			
1.11 Directors' hourly rate			
1.12 Specific project fees			
2. Financial assistance			
3. General authority to repurchase company shares			

* Please indicate by inserting the relevant number of votes in the appropriate spaces above how you wish your votes to be cast. Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.

Signed at ______________ (place) on ______________ (date) 2023

Member's signature ______________ assisted by ______________ (if applicable)

Notes to the form of proxy

1. This form of proxy is to be completed only by those members who are:

   (a) holding shares in a certificated form; or

   (b) recorded in the sub-register in electronic form in their own name.

2. Members who have dematerialised their shares, other than own-name dematerialised shareholders, and who wish to attend the annual general meeting must contact their CSDP or broker who will furnish them with the necessary letter of representation to attend the annual general meeting, or they must instruct their CSDP or broker as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the members and their CSDP or broker.

3. Each member is entitled to appoint one or more individuals as a proxy (who need not be a member(s) of the company) to participate in, speak, and vote in place of that member at the annual general meeting.

4. A member wishing to appoint a proxy must do so in writing by inserting the name of said proxy or the name of one alternative proxy of the member's choice on the form of proxy in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.

5. A member's instructions to the proxy must be indicated on the form of proxy by the insertion of the relevant number of votes exercisable by that member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the ordinary and special resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the member's votes exercisable thereat.

6. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the aforegoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form is attached.

7. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such member or represented by such proxy, but the total number of votes for or against the ordinary resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.

8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer office or waived by the chairman of the annual general meeting.

9. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.

10. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).

11. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such member wish to do so.

12. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.

13. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.

14. Any proxy appointment made in terms of this form of proxy remains valid until the end of the annual general meeting, unless revoked earlier.

15. Members are requested to lodge forms of proxy with the transfer secretaries at the address given below, for administrative reasons only, at least 48 hours prior to the annual general meeting (see address below), provided that the chairman of the annual general meeting may accept proxies that have been delivered after the expiry of the aforementioned period up and until the time of commencement of the annual general meeting.

    Computershare Investor Services Proprietary Limited

    Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196

    Private Bag X9000, Saxonwold, 2132

    Telephone: +27 11 370 5000
    Fax: +27 11 688 5238
    Email: proxy@computershare.co.za

Annexure A
Registration form to participate in the electronic annual general meeting

Stefanutti Stocks Holdings Limited

(Incorporated in the Republic of South Africa: ZAE000123766 ("Stefanutti Stocks" or "the company")

To be held on Friday 4 August 2023 at 12:00

- Shareholders or their proxies or representatives who wish to participate in the annual general meeting via electronic communication (Participants), must register with the company's transfer secretaries, Computershare Investor Services Proprietary Limited, by delivering the signed form below (the application) via email to proxy@computershare.co.za as soon as possible. The application form may also be delivered (i) by hand, to Computershare Investor Services Proprietary Limited at Rosebank Towers, First Floor, 15 Biermann Avenue, Rosebank 2196, or (ii) by post to Private Bag x9000, Saxonwold, 2132 (at the risk of the Participant). Irrespective of the manner in which the application form is delivered, the application form must be delivered as soon as possible, but in any event, for administrative purposes only, by no later than 12:00 on Wednesday 2 August 2023, together with proof of identification. Computershare Investor Services Proprietary Limited will first validate a Participant's registration request pursuant to section 63(1) of the Companies Act, 71 of 2008.
- Shareholders who have dematerialised their shares, other than those shareholders who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant (CSDP) or broker in the manner and time stipulated in their agreement with their CSDP or Broker:
  - to furnish them with their voting instructions; and
  - in the event that they wish to participate in the meeting, to obtain the necessary authority to do so.
- Each Participant, who has complied with the requirements below, will be contacted between 2 and 3 August 2023 via email or cell phone with a link to allow them to participate in the electronic annual general meeting.
- The cut-off time, for administrative purposes only, to register to participate in the electronic annual general meeting will be at 12:00 on Wednesday, 2 August 2023.
- The Participant's access link will be forwarded to the email/cell number provided below.
- By clicking the link provided, Participants will be able to access the electronic annual general meeting via their computer or compatible mobile devices. A telephone number will also be provided for those Participants who prefer to dial in to the meeting.
- Shareholders are advised that the email addresses and/or contact numbers provided by shareholders in their completed Registration Forms are the only addresses and/or contact numbers that will be recognised for purposes of electronic participation (including voting, where applicable) at the AGM.
- Should a Participant experience any issue with the electronic communication during the annual general meeting, they should contact proxy@computershare.co.za to assist them.

Application form
Name and surname of shareholder:
Name and surname of shareholder representative (If applicable):
ID number of shareholder or representative:
Email address:
Cell number:
Telephone number:
Name of CSDP or Broker:
(If shares are held in dematerialised format):
Contact number of CSDP or Broker:
SCA number/Broker account number or own name account number:
Number of shares:
Number of share certificate (if applicable):
I wish to electronically participate:
I wish to electronically participate and vote:
Signature:
Date:

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the electronic annual general meeting is for the expense of the Participant and will be billed separately by the Participant's own telephone service provider.
- To the fullest extent permitted by law, the Participant indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from or in relation to the use or possession of the telecommunication lines/webcast/web-streaming/internet and/or network connectivity, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else. In particular, but not exclusively, the Participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from or in relation to the use of the telecommunication lines/webcast/web-streaming/internet and/or network connectivity or any defect in it or from total or partial failure of the telecommunication lines/webcast/web-streaming/internet and/or network connectivity and/or connections linking the telecommunication lines/webcast/web-streaming to the electronic annual general meeting and/or in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages.
- Once the Participant has received the link, the onus to safeguard this information remains with the Participant.
- The application will only be deemed successful if this application form has been fully completed and signed by the Participant and delivered or e-mailed to proxy@computershare.co.za by the cut-off time indicated above.
- Certificated and dematerialised shareholders with "own name" registration must submit proof of identification with this application form.
- Dematerialised shareholders without "own name" registration must submit proof of identification together with a copy of the letter of representation issued by their broker/custodian with this application form.
- By signing this registration form, you agree and consent to the processing of the personal information provided by you above for the purpose of participation in the electronic annual general meeting.

Shareholder name ______________________________

Signature ______________________________

Date ______________________________

Shareholders' diary

Financial year-end

28 February 2023

Reporting period

1 March 2022 to 28 February 2023

Reporting period of previous report

1 March 2021 to 28 February 2022

Announcement of annual results

25 May 2023

Integrated report posted

28 June 2023

Annual general meeting

4 August 2023

Announcement of interim results

November 2023

Stakeholder feedback

The company welcomes written comments and feedback from its stakeholders on this integrated report and on other general matters and these should be addressed to: **annual.report@stefstocks.com**

Abbreviations and definitions

"AGM"
Annual general meeting

"ARCO"
Audit, Governance and Risk Committee

"B-BBEE"
Broad-based black economic empowerment

"BIM"
Building information modelling

"CEO"
Chief Executive Officer

"CFO"
Chief Financial Officer

"CIDB"
The Construction Industry Development Board

"CLO"
Community Liaison Officer

"Competition Act"
Competition Act, No. 89 of 1998, as amended

"COVID-19"
Novel coronavirus 2019

"CRO"
Chief Restructuring Officer

"DAB"
Dispute Adjudication Board

"DPSIS"
Directors' Profit Share Incentive Scheme

"EDIS"
Executive Directors Incentive Scheme

"EE"
Employment equity

"ESG"
Environmental, social and governance

"EXCO"
Executive Committee

"FSP"
Forfeitable Share Plan

"FYE"
Financial year-end

"HEPS"
Headline earnings per share

"HR"
Human resources

"ICT"
Information communication technology

"IFRS"
International Financial Reporting Standards

"ISO"
International Organization for Standardization

"JSE"
Johannesburg Stock Exchange Limited

"JSE Listings Requirements"
Listings Requirements of the JSE Limited

"KPAs"
Key performance areas

"King IV"
King IV Report on Corporate Governance for South Africa 2016

"LE"
Leadership engagement

"LID"
Lead Independent Director

"LTI"
Long-term incentives

"LTIFR"
Lost time injury frequency rate

"MEP"
Mechanical Electrical Piping

"MOI"
Memorandum of Incorporation

"Net asset turn"
Contract revenue divided by average total assets

"Net profit margin"
Profit after taxation as a percentage of contract revenue

"OHSE"
Occupational health, safety and environment

"Operating profit/loss (OP)"
Operating profit/loss before investment income

"Operating profit/loss margin"
Operating profit/loss as a percentage of contract revenue

"PDI"
Previously disadvantaged individuals

"Return on assets"
Profit after taxation as a percentage of average total assets for the period

"RCR"
Recordable case rate

"REMCO/NOMCO"
Remuneration and Nominations Committee

"Return on equity (ROE)"
Loss/profit attributable to equity holders as a percentage of average capital and reserves attributable to equity holders of Stefanutti Stocks

"S&E"
Social and Ethics Committee

"SED"
Socio-economic development

"SHE"
Safety, health and environment

"SHEQ"
Safety, health, environmental and quality

"S@S"
Systems at Stefanutti Stocks

"Stefanutti Stocks"; "the group" or "the company"
Stefanutti Stocks Holdings Limited, all of its subsidiaries, joint operations and equity-accounted investees

"STI"
Short-term incentives

"TFP"
Total fixed package

"the board"
The board of directors of Stefanutti Stocks

"the current year"
The financial year ended 28 February 2023

"the next year"
The financial year ending 29 February 2024

"the previous year"
The financial year ended 28 February 2022

"Total remuneration"
Total fixed package plus short-term incentivisation

"VFL"
Visible felt leadership

Corporate information

Company information

Stefanutti Stocks Holdings Limited

Share code: SSK ISIN: ZAE000123766
JSE Sector: Construction Year-end: 28 February

Registration number
1996/003767/06

Country of incorporation
South Africa

Registered office
No. 9 Palala Street, Protec Park, Cnr Zuurfontein Avenue and Oranjerivier Drive, Kempton Park, 1619

Postal address
PO Box 12394, Aston Manor, 1630

Telephone number
+27 11 571 4300

Directors

As at 19 June 2023: ZJ Matlala* (Chairman); HJ Craig*; B Harie*; BP Silwanyana*; RW Crawford (CEO); Y du Plessis (CFO)

* Independent non-executive directors.

Company secretary

WR Somerville

Bryanston Gate, Block 4, 1st Floor, Homestead Avenue, Bryanston, 2191

Auditors

Mazars

Mazars House, 54 Glenhove Road, Melrose Estate, 2196
PO Box 6697, Johannesburg, 2000

Telephone number
+27 11 547 4000

Attorneys

Webber Wentzel

90 Rivonia Road, Sandton, Johannesburg, 2196
PO Box 61771, Marshalltown, 2107

Telephone number
+27 11 530 5000

Transfer secretaries

Computershare Investor Services (Pty) Ltd

Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
PO Box 9000, Saxonwold, 2132

Telephone number
+27 11 370 5000

Sponsor

Bridge Capital Advisors (Pty) Ltd

10 Eastwood Road, Dunkeld, 2196
PO Box 651010, Benmore, 2010

Telephone number
+27 11 268 6231

Bankers

African Banking Corporation Zimbabwe

Banco Comercial e de Investimentos

Banco Internacional de Mocambique

Banco Nacional de Investimento

Eswatini Bank Limited

First National Bank, a division of FirstRand Bank Limited

First National Bank Botswana Limited

First National Bank Eswatini, a division of FirstRand Bank Limited

First National Bank Zambia Limited

Moza Banco SA

Nedbank Limited

Nedbank Eswatini Limited

Nedbank Mocambique SA

Standard Bank Mocambique Limited

Stanbic Bank Botswana Limited

Stanbic Bank Zimbabwe Limited

Stanbic Bank Zambia Limited

Standard Bank Eswatini

United Bank for Africa Mozambique SA

United Bank for Africa Zambia Limited

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