

Risk Management Policy

Overview

In conducting its business, Macmahon Holdings Limited (“Macmahon”) takes informed and appropriate commercial and business risks to achieve its objectives and deliver shareholder value. In so doing, risks should be proactively identified and managed by our people, the most important resource within the organisation. To assist this process, Macmahon has developed this Risk Management Policy to articulate general principles and provide a framework for the integration of risk management into day-to-day decision making.

Consistent with its Charter, the Audit and Risk Committee is responsible for the development and maintenance of this Risk Management Policy, and for overseeing the review and reporting requirements contemplated by that.

Personal responsibility

Macmahon encourages, promotes and supports enterprising, prudent and robust decision making by management and operational personnel. As a part of this approach, Macmahon requires its personnel to make informed and considered decisions when managing risks, and to comply with the various processes and systems in place to facilitate the business philosophy of making risk management “part of the job” for all employees.

Risk appetite and risk management practices

In order to achieve its business objectives, Macmahon recognises that it will accept certain business risks. The organisation aims to take on business risks in an informed and proactive manner, such that the level of risk is commensurate with the potential business rewards and is at all times consistent with the risk appetite set by the Board (for the organisation as a whole).

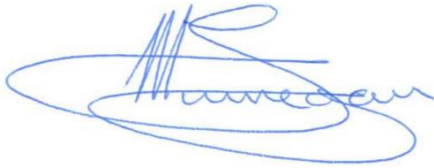
The Board is responsible for setting the strategic direction of the organisation and for creating and maintaining the environment and structures within which risk management practices can operate effectively. The Board also sets the Company’s appetite for risk taking and risk tolerance, and the organisation should manage its risk exposures within these limits.

The Company has adopted a range of governance and business practices to facilitate the management of risk within Board approved limits, including various authority levels for expenditure decisions, requirements for regular budgeting and financial reporting, an external insurance program, procedures/controls for environmental and occupational health and safety risk, and procedures to ensure compliance with regulatory requirements.

Where circumstances arise that could support the Company operating outside of the risk appetite set by the Board, the relevant circumstances (and the specific risk exposures associated with them) should be brought to the attention of the Board in sufficient detail to enable the Board to properly consider, among other things, the risk exposures associated with taking the relevant action in those particular circumstances.

Continuous improvement

The effectiveness and appropriateness of the processes and systems employed to manage risk taking in decision making are regularly monitored to ensure that they deliver commercially sound outcomes and long term shareholder value.

A handwritten signature in blue ink, appearing to read 'Michael Finnegan', with a large, stylized initial 'M' and 'F'.

Michael Finnegan
Chief Executive Officer