

Senior Executives Remuneration Policy

Macmahon Holdings Limited (“Macmahon”) is committed to remunerating its senior executives in a manner that is market competitive, consistent with best practice and supports the interests of shareholders, without rewarding conduct that is contrary to Macmahon’s values (including those set out in Macmahon’s Statement of Values) or the risk appetite set by the Board.

Macmahon aims to align the interests of senior executives with those of shareholders by remunerating senior executives through performance and long-term incentive plans in addition to their fixed remuneration.

Consequently, senior executives’ remuneration consists of the following elements:

- fixed salary;
- a short-term incentive opportunity;
- a long-term incentive opportunity; and
- other benefits including superannuation.

Fixed Salary

The salary of senior executives is determined from the following:

- the scope of the individual’s role;
- the individual’s level of skill and experience;
- Macmahon’s legal and industrial obligations;
- labour market conditions and Macmahon’s financial position; and
- the size and complexity of Macmahon’s business.

Short-term incentive

The purpose of the short term incentive is to provide a meaningful incentive for employees to contribute to superior company performance each year. The short term incentive is dependent on the achievement of performance criteria based on Macmahon’s short term performance objectives. Therefore the short term incentive represents an opportunity for each to receive an additional payment, in addition to their fixed remuneration.

Long-term incentive

The long term incentive is also intended to incentivise superior company performance, but over longer time periods (generally over three year periods rather than annual periods). Long term incentives may be provided in the form of opportunities to receive equity in Macmahon on the achievement of pre-set performance criteria based on Macmahon’s medium to long term performance objectives.

Other benefits

Senior executives are entitled to statutory superannuation and other allowances as approved and agreed as part of their employment contract or by the Remuneration Committee.

Expenses

All reasonable out of pocket expenses incurred in connection with the performance of duties on behalf of Macmahon will be reimbursed.

Performance based remuneration

The Board retains a discretion to prevent or withhold the payment of performance based remuneration in circumstances where such payment could (or could be seen to) reward or otherwise recognise conduct or behaviours which are contrary to Macmahon's values or risk appetite, or the alignment of interest (between Macmahon, its shareholders and its employees) that such performance based remuneration is intended to support.