Board Charter

Macmahon is committed to excellence in corporate governance, transparency, and accountability. This is essential for Macmahon's long-term performance and sustainability, and for protecting and enhancing the interests of our shareholders and other stakeholders.

The Board's governance practices comply with ASX Corporate Governance Council's Principles and Recommendations for ASX-Listed entities.

1. Purpose of this Board Charter

This Board Charter **(Charter)** outlines the roles, responsibilities, and duties of the Board of Directors **(Board)** of Macmahon Holdings Limited **(Macmahon)** and sets out the manner in which the Board discharges its responsibilities.

2. Regulatory Framework

Macmahon is a public company under the *Corporations Act 2001 (Cth)* **(Corporations Act)** and publicly listed on the Australian Securities Exchange (ASX) under ASX Listing Rules. Macmahon and its Directors must comply with the Corporations Act, ASX Listing Rules and other relevant legislation.

The Board and members are also subject to Macmahon's Constitution.

3. Corporate Governance Framework

The Board has implemented Macmahon's corporate governance framework, which is aligned with ASX Corporate Governance Council's Principles and Recommendations.

Macmahon's Corporate Governance Statement provides further information on the Board's corporate governance framework and practices.

4. Role of the Board

The Board is the governing body of Macmahon and is accountable to shareholders and stakeholders for the strategic direction, governance, and performance of Macmahon.

The Board is not involved in the day-to-day running of Macmahon.

At the uppermost level, the Board is accountable for:

- Approve the long-term strategic direction of Macmahon.
- Support and oversight of the Managing Director & Chief Executive Officer **(MD/CEO).**
- Oversight of performance.
- Oversight of risk and compliance.

The role of the Board includes demonstrating leadership, setting the desired culture and the risk appetite, and providing effective oversight of management in implementing Macmahon's purpose and strategy.

The Board also has responsibility for monitoring that Macmahon complies with its legal and regulatory obligations.

In carrying out its role, the Board considers the interests of many stakeholders, including shareholders, personnel, customers, partners, regulators, and the broader community in which Macmahon operates.

The Board's powers can only be exercised by resolution at a meeting of Directors, by written resolution, or by any other means permitted by the Constitution or the Corporations Act.

The Board may delegate any of its powers, other than those which by law must be dealt with by the Board, to a Committee, any Director, an officer, or the MD/CEO.

To achieve its role, the Board has reserved the specific powers and responsibilities set out in **Attachment 1.**

5. Board Composition

5.1 Composition

The Board is structured so that its membership provides a mix of skills, knowledge, experience, and diversity to enable it to discharge its responsibilities, add value, and facilitate effective discussion and decision-making.

The Board's composition will continue to evolve from time to time to accommodate Macmahon's strategic direction, stakeholders' expectations, and changing governance needs.

The Board determines its size and composition, subject to the terms of Macmahon's Constitution. Under the Constitution, there must be no less than three Directors.

The Board sets and reviews the criteria for the appointment of new Directors having regard to the existing composition of the Board, the Board's desired skills matrix, diversity, tenure, and strategic direction.

The Board may appoint a Director, at any time, to fill casual vacancies on the Board. Their continuing appointment is subject to approval by shareholders at the Annual General Meeting (AGM) following their appointment.

The selection and appointment of Directors and the Chair to the Board are subject to a rigorous externally-driven appointment process, as set out below in section 5.6.

5.2 Independent Non-Executive Directors

The Board will comprise a majority of Independent Non-Executive Directors.

The Board defines an Independent Non-Executive Director as a Director (that is, not a member of management) who is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of Macmahon and its stakeholders as a whole.

When assessing the independent status of a Director, the Board (excluding the relevant Director) will consider a range of factors, including whether the Director:

a. has, within the last five years, been employed in an executive capacity by Macmahon;

b. has, within the last three years, been an officer or employee of a firm providing external or internal audit services to Macmahon;

c. has, within the last three years, been in a material business relationship (e.g. as a supplier, customer, or consultant) with Macmahon or an officer of, or otherwise associated with, someone with such a relationship;

d. has close personal ties with any person who falls within any of the categories described above; or

e. has been a Director of Macmahon for a length of time that could, or could be perceived to, materially interfere with the Director's ability to act in the best interests of Macmahon.

If a Director's interests, positions, or relationships change in a way that could affect their independence, the Director must inform the Board as soon as possible.

5.3 Nominee Non-Executive Directors

The Board may invite and appoint a Nominee Director/s to represent the interests of a major shareholder/s.

The Board has established a Nominee Director Protocol to balance the Nominee Director's legal obligations and to manage potential conflicts of interest, including how conflicts are resolved and to determine when information can be withheld from the Nominee Director.

A Nominee Director plays an important role in bridging the gap between Macmahon and its major shareholder/s, ensuring effective governance, and navigating potential conflicts.

5.4 Diversity

The Board acknowledges the value of diversity in all its forms, including but not limited to gender, age, ethnicity, cultural background, education, professional qualifications, and perspectives.

The Board is committed to promoting diversity and inclusivity in its composition, processes, and decision-making and has an aspiration for Board gender diversity of 40% women, 40% men and 20% of any gender.

5.5 Tenure of Directors and Chair

The general expectation is that Directors will serve no more than nine (9) years (three 3-year terms) from the date of their first election by shareholders. However, if the Board considers it to be of significant benefit to Macmahon, Directors may serve for longer, up to a maximum of twelve (12) years.

The maximum tenure of the Board Chair is nine (9) years of continuous service.

A Director who has served a term of three (3) years must retire and may seek re-election for a further term, subject to shareholder approval.

Prior to each AGM, the Board will determine whether it will recommend to the shareholders that they vote in favour of each Director standing for election or re-election (as the case may be), having regard to any matters the Board considers relevant, including the Director's annual performance assessment outcomes, the desired skill criteria of the Board, and their length of tenure.

5.6 Selection and Appointment of Directors and the Chair

The Board has established a Board Succession Policy that guides Board composition, the skills criteria, defines the selection and appointment process for candidates for appointment as a Director, the appointment process for new Directors, and the tenure of Directors.

The Board Chair, together with the Board's Nomination Committee, oversees the Board's composition, periodically reviews the succession plan, and makes recommendations to the Board on the appointment of individuals to the Board.

The selection and appointment of Directors and the Board Chair are subject to an externally driven appointment process with a specialised Board recruitment advisory firm brief on selection criteria. The process also includes background checks on the candidate's character, experience, education, and qualifications.

The Board's Succession Policy is available on Macmahon's website.

5.7 Fitness and Propriety Test

The Board requires that individuals appointed as a Director to the Board or to executive roles have the appropriate fitness and propriety to discharge their responsibilities properly on and during their appointment.

5.8 Director's Remuneration

Each Director is entitled to such reasonable remuneration, to the extent permitted by law, as determined by the Board.

Directors' remuneration is regularly assessed and benchmarked against market data by an independent external remuneration consultant, who is appointed by the Board.

The Directors and the Chair receive a fixed annual fee for services that recognise the role, responsibilities, and time commitments required.

5.9 Director's Appointment Agreement

A written agreement is entered into with each new Director that sets out the key terms and conditions of their appointment, including the Director's responsibilities, remuneration, confidentiality requirements, and initial and ongoing disclosure obligations.

6. Role of the Board Chair

The Chair of the Board must be an Independent Non-Executive Director.

The Chair is appointed by the Board.

The role of the Chair is to provide effective leadership of the Board.

The Board Chair is responsible for leading the Board in fulfilling its role and ensuring that the Board operates effectively, efficiently and by the high standards of governance and ethical conduct.

Specifically, the responsibilities of the Board Chair include:

a) providing leadership to the Board while maintaining a clear distinction and separation of duties between the Board and management;

b) ensuring that the Directors, the Board and its committees fulfil their responsibilities effectively and meet with sufficient frequency;

c) setting the Board agenda and ensuring that it addresses and considers key strategic, stakeholder, and governance issues and that appropriate time and attention is devoted to agenda items and key strategic issues;

d) promoting a constructive and collegial atmosphere during the Board's deliberations and seeking to ensure that all directors contribute to discussions and decision-making;

e) communicating the collective views of the Board to shareholders and other key stakeholders; and

f) maintaining a constructive relationship with the MD/CEO and promoting open and respectful relations between the Board and management.

7. Role of the Directors

The role of the Director is to participate in the decision-making processes of the Board actively and, in particular, provide constructive challenge and objective judgment in developing strategic direction, reviewing the performance, and allocating resources.

Directors are expected to carry out their duties in accordance with Macmahon's corporate governance framework and regulatory requirements.

Each Director must:

a) exercise their powers and discharge their duties with the degree of care and diligence that a reasonable individual would exercise if they were a Director of Macmahon;

b) act in good faith, honestly and fairly in the best interests of Macmahon to further its purpose and objectives;

c) to uphold Macmahon's values and code of conduct;

d) not misuse their position or information they gain as a Director;

e) disclose any conflicts of interest;

f) ensure that the financial affairs of Macmahon are managed responsibly;

g) not allow Macmahon to operate while it is insolvent; and

h) keep information confidential, except as required by law or as agreed in writing by the Board.

8. Director Induction and Training

Each Director is expected to participate in an induction program on appointment and undertake ongoing training to maintain the skills and knowledge required to perform their role effectively.

Directors are provided with regular briefings and site visits to ensure they maintain an appropriate understanding of Macmahon's operations, industry trends, and material developments in the relevant legislation.

The Board periodically reviews whether there is a need for Directors to undertake professional development and whether the Board collectively has the skills, knowledge and experience to deal with emerging business and governance issues.

Directors pay their own professional membership fees and development.

9. Site Visits

Directors participate in site visits from time to time. The purpose of site visits is to enable Directors to assess the organisation's culture and safety, meet with employees and customers, and increase the Director's understanding of key operational functions and risks faced by Macmahon.

10. Board Performance Evaluations

The Board's performance will be subject to an annual assessment, together with a review of the performance of individual Directors, the Chair, Board committees, and committee Chairs.

The Board's performance will be evaluated against the core elements for effective governance and how the Board is adding value to Macmahon.

The assessment will be facilitated by an external consultant (at least every three (3) years).

The Nominations Committee oversees the Board's performance review process.

11. Board Committees

The Board may, from time to time, establish committees to assist the Board in the discharge of its responsibilities and to allow detailed consideration of complex issues.

The Board has established three standing committees:

a) Audit & Risk Committee;

b) People & Culture Committee; and

c) Nominations Committee.

Each committee operates under a charter approved by the Board, which sets out the committee's authority, membership, and responsibilities, together with any relevant administrative arrangements and any other matters considered appropriate by the Board.

Committees advise and make recommendations to the Board. They do not have the power to commit the Board or management to implement their recommendations unless expressly stated in the committee's charter or as authorised by the Board.

The Board will periodically review the appropriateness of the existing committees, as well as each committee's membership and charter.

The Board has sole responsibility for the appointment of the members of each committee. Over time, Directors may rotate on and off various committees, taking into account the needs of the committees and the skills and experience of individual Directors.

The Chair of a committee will report to the Board on the committee's business, and the minutes of each committee meeting will be made available to the Directors at the next Board meeting.

The Board may also delegate specific functions to ad hoc committees on an “as needs” basis. The authority delegated to these committees is set out in Board resolutions and the terms of reference.

Further information on each **Committee’s Charter** and responsibilities is available on the corporate governance page on Macmahon’s website.

12. Board’s Oversight of Management

The Board delegates responsibility for the day-to-day management of Macmahon to the MD/CEO and, through the MD/CEO, to other members of executive management.

The MD/CEO is accountable to the Board for the exercise of this delegation, with the support of executive management. The Board may impose, from time to time, specific limitations on the delegation of authority to the MD/CEO.

The Board has established an Authority Matrix that outlines the specific powers reserved to the Board, and powers delegated to the MD/CEO and executive team. It helps to clarify the roles and expectations of both parties and to ensure accountability and transparency in decision-making.

The Board has set clear accountabilities for management and expectations that:

a) management, through the MD/CEO, is responsible and accountable for the day-to-day running of Macmahon;

b) management reports are accurate, timely and candid, and decision papers are clear, reasoned and concise;

c) Directors have unrestricted access to management with protocols for interaction between the Board, and management has agreed to facilitate the coordination of meetings and communications with the Board;

d) the Board functions independently of management. This includes Directors' meeting without management present at each Board and Committee meeting, and the separation of the roles of the Chair and the MD/CEO;

e) the Board and its Committees are entitled to request additional information from management where it considers such information necessary to make informed decisions; and

f) management, through the MD/CEO, is accountable for leading implementation of Macmahon’s WHS management system and risk processes, providing appropriate resources, assigning and evaluating role-based WHS accountabilities, and escalating material WHS risks or resource constraints to the Board.

13. Role of the Managing Director & Chief Executive Officer (MD/CEO)

The Board is responsible for appointing the MD/CEO, who in turn is responsible for the day-to-day management of the business and affairs of Macmahon, and has the powers and undertakes the responsibilities as determined and, in the manner, determined by the Board.

The MD/CEO's accountabilities include:

a) managing the overall performance and day-to-day operations of Macmahon;

b) formulating and implementing a Board-approved strategic plan and maintaining an organisational culture;

c) supervising the executives in their execution of the strategy plan;

d) monitoring performance against operating plans and budget;

e) monitoring and managing all material risks consistent with the Board-approved risk appetite and policies;

f) leading management’s discharge of the WHS responsibilities, monitoring material WHS risks, performance and compliance, and ensuring timely reporting of material WHS matters to the Board;

g) providing timely and accurate information to assist the Board and its Committees in discharging their responsibilities; and

h) implementing a stakeholder engagement plan and accountability for ensuring stakeholders' needs and expectations are considered.

The MD/CEO may establish management committees to assist with these responsibilities and must adhere to accepted operating practices and professional ethics.

The MD/CEO reports to the Board at each meeting and advises the Board (or relevant committee) of material issues affecting Macmahon or its performance.

The MD/CEO is required to engage with the Board Chair, as well as the Chairs of Board Committees between Board meetings.

14. Role of the Company Secretary

The Board approves the appointment and removal of persons to the role of Company Secretary.

The Company Secretary's responsibilities include:

a) advising the Board on governance matters;

b) ensuring compliance with Macmahon's Constitution, the Corporations Act, ASX Listing Rules, and Board policies;

c) coordinating the timely dispatch of Board and Committee agendas and meeting materials;

d) accurately recording the proceedings of Board and Committee meetings in the minutes; and

e) providing support to the Chair and other Directors.

All Directors have access to the Company Secretary, who is directly accountable to the Board, through the Chair, on all matters concerning the proper functioning of the Board and Macmahon's corporate governance framework.

The Company Secretary must have the required skills and experience in governance.

Performance objectives for the Company Secretary are set by the Board.

15. Board Meetings

15.1 Meetings and Quorum

The Board meets as frequently as necessary to discharge its responsibilities effectively. The Board determines a meeting schedule annually in advance. Additional Board meetings may be convened if matters requiring immediate consideration arise between scheduled meetings.

Board meetings, meeting notices and proceedings are governed by the relevant provisions in Macmahon's Constitution. All Directors must be provided with notice of a Board meeting.

Directors in attendance, representing two (2) Directors of the Board, constitute a quorum. In the absence of the Board Chair, the Directors present will elect one of their number to chair that meeting.

The Board may use technology to facilitate meetings, including video or teleconferencing, subject to the requirements of the Corporations Act and Macmahon's Constitution.

Directors may meet without management present.

The Board may invite other members of the executive and management to attend meetings.

The Board may also invite the external or internal auditor or other persons to its meetings (or part thereof) as necessary or appropriate.

15.2 Meetings of the Independent Directors

The Independent Directors may meet separately to discuss critical issues without the presence of Nominee Directors, Executive Directors, the MD/CEO or other interested parties. It ensures their independence and assists them in exercising their judgment without any internal or external pressures.

15.3 Attendance

All Directors must attend Board meetings unless notice of apology has been provided to the Chair or the Company Secretary.

15.4 Workplan, Agenda, and Meeting Documentation

The Board Chair determines the work plan and agenda for each Board meeting in consultation with the Directors, the MD/CEO and the Company Secretary.

The agenda and supporting meeting documentation will be distributed to the Directors within a reasonable time before each meeting. Late papers may be submitted with the Chair's consent.

15.5 Minutes

Minutes of each Board meeting will be prepared by the Company Secretary (or nominee), approved in draft by the meeting Chair, and then circulated by the Company Secretary to all Directors as soon as practicable.

Minutes must be approved by the Chair within one month of the Board meeting and confirmed at the next Board meeting or by circular resolution.

16. Code of Conduct and Policies

The Board sets the tone of all matters culturally including fostering an organisational culture of high ethical standards, personal and corporate integrity, and respect for others.

Directors are subject to Macmahon's Code of Conduct and policies.

17. Conflicts of Interest and Material Personal Interest

All Directors are required to take all reasonable steps to avoid actual, potential, or perceived conflicts of interest.

Under Macmahon's Constitutions and at law, Directors must disclose any conflicts of interest and abstain from participating in any discussion or voting on matters in which they have a material personal interest.

The following procedures are to be followed by a Director who believes they may have an actual, potential, or perceived conflict of interest or material personal interest:

a) the Director must disclose to the Board any actual or potential conflict or material personal interest which may exist, or might reasonably be thought to exist, as soon as it arises;

b) the Board will determine whether or not a conflict exists. If necessary, the Board will exclude the potentially conflicted Director; and

c) based on the determination, an appropriate course of action will be set. Such action may require the conflicted or interested Director to absent themselves when the Board discusses and votes on matters to which the conflict or interest relates.

The Company Secretary will maintain a register of standing declarations of interests notified by Directors and report them to the Board at each Board meeting.

18. Rights to Access Documents and Indemnity

A Director has a right of access to the financial records of Macmahon at all reasonable times to the extent required to discharge their duties.

To the extent permitted by law, Macmahon indemnifies each Director and Officer against liability of that person and legal costs of that person. On appointment to the Board, each Director receives a Deed of Indemnity, Insurance and Access.

Macmahon is required to keep and maintain a D&O Insurance Policy for the benefit of Directors and Officers.

19. External Directorships and Other Roles

Directors must discuss with the Board Chair any proposed external directorship to a Board, committee, or executive appointment they are considering undertaking.

Where the Board Chair wishes to consider any proposed external directorship to a Board, committee, or executive appointment, they must discuss the proposed appointment with the Chair of the Audit & Risk Committee.

Directors are required to continually evaluate the number of Boards of companies (and any committees of those Boards) on which they serve to ensure that each organisation can be given the time and attention required to properly exercise the Director's powers and discharge the Director's duties to that organisation and Macmahon.

Directors must advise the Company Secretary in writing of any external directorships or executive appointments and changes thereto.

20. Access to Independent Professional Advice

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities.

Each Director has the right to seek independent professional advice at Macmahon's expense, subject to prior consultation with and the consent of the Board Chair. The Board Chair must report the Director's request to the Board as soon as practicable.

The advice must be sought from a suitably qualified adviser in the appropriate field, and Macmahon's General Counsel will usually facilitate the adviser's engagement. Before instructing the adviser, the Director must advise the Board Chair of the fee payable for the advice, which must be reasonable considering the nature of the advice sought and fees charged by other similarly qualified advisers.

All instructions to the adviser must be in writing, unless urgency is involved, and must specify the instructing party, the capacity in which they are acting, and the party(ies) to whom the advice should be addressed.

A copy of the advice, the instructions and all accompanying material must be provided to the Board except where this would result in unreasonable prejudice to the Director seeking the advice.

21. Review of Charter

The Board will review this Charter every two years, or sooner if circumstances require, to ensure it remains consistent with the evolving needs of Macmahon, its shareholders, and legal and regulatory requirements.

22. Related Documents

- Constitution of Macmahon Limited
- Corporate Governance Statement
- Audit & Risk Committee Charter
- People & Culture Committee Charter
- Nomination Committee Charter
- Board Skills Matrix Guideline
- Board Succession Policy
- Non-Executive Director Remuneration Policy
- Board Conflict of Interest Policy
- Code of Conduct
- Values Statement

Copies of each of the above documents are available on the corporate governance page on Macmahon's website.

Attachment 1
Board Reserved Powers & Responsibilities

The Board is the governing body of Macmahon and is required to make decisions, in the best interest of Macmahon, its shareholders, and stakeholders.

The reserved powers and responsibilities of the Board (excluding its rights and obligations under the Constitution) are as follows:

1. Leadership and Culture

1.1 Oversee management's actions to instil or reinforce the desired organisational culture.

1.2 Approve Macmahon's Values, Code of Conduct, and Whistleblower Policy.

2. Strategic Direction and Purpose

2.1 Define Macmahon's strategic direction and provide strategic guidance.

2.2 Approve Macmahon's purpose and aspiration.

2.3 Approve and oversee management's implementation of Macmahon's strategic plan and strategic objectives.

2.4 Approve the acquisition or divestment of a material business or entity.

2.5 Approve significant internal organisational restructures.

2.6 Oversee the integration of climate-related risks and opportunities into Macmahon's strategic direction, capital allocation and financial planning processes.

3. Governance

3.1 Oversee and monitor the effectiveness of Macmahon's Corporate Governance Framework and practices.

3.2 Approve Macmahon's Corporate Governance Statement.

3.3 Determine Board composition and approve the appointment of Directors, subject to shareholder approval at the AGM.

3.4 Develop and implement a Board succession plan.

3.5 Assess, at least annually, the performance of each individual Director, the Board collectively, and each Board Committee and Committee Chairs.

3.6 Develop a Director induction program.

3.7 Approve policies that require or are reserved for Board.

3.8 Approve the Authority Matrix, which delegates powers to the MD/CEO and the executive leadership team.

3.9 Satisfy itself that an appropriate reporting framework exists for relevant information that management will report to the Board.

3.10 Determine the annual remuneration of the Board Chair and other Directors.

3.11 Approve the Remuneration Policy for Directors, the MD/CEO and executives.

3.12 Consider and approve any transactions with related parties (as defined in the Corporations Act), subject to any required shareholder approvals.

3.13 Develop and maintain a Board training and development program.

3.14 Appoint, and terminate the employment of, the Company Secretary.

3.15 Recommend the appointment or renewal of directors to operating subsidiary boards and the overall composition of subsidiary boards.

4. Oversight of Performance

4.1 Oversee the performance of Macmahon and its controlled entities, including monitoring the use of resources and performance against strategic plans and annual operating budgets.

4.2 Approve the annual operating budget and capital expenditure budgets and any re-forecast of the budget.

4.3 Approve investment and expenditure initiatives above the MD/CEO's delegation.

4.4 Approve execution of contracts, binding proposals, and tender submissions outside the MD/CEO's delegation.

4.5 Approve acquisitions or divestments and capital expenditure above the MD/CEO's delegation.

4.6 Approval of write-offs that are outside the MD/CEO's delegation.

5. Financial Reporting

5.1 Oversee Macmahon's financial performance and position, including the quantum of debt facilities, its future capital requirements and ability to meet its debts as an when they fall due.

5.2 Approve Macmahon's Half-Year Financial Report and Annual Report, including the statutory financial statements, the Directors' Report, the Directors' Declaration, the Remuneration Report, and accounting policies.

5.3 Review and consider the annual declaration from the MD/CEO and CFO under section 295A of the Corporations Act.

5.4 Review and approve the entry into a Deed of Cross Guarantee **(DOCG**) and monitor compliance with the DOCG.

5.5 Oversee the integrity of Macmahon's financial and corporate reporting.

5.6 Review and approve forecasts presented by management and approve the release, to the ASX, of Macmahon's earnings guidance.

6. Appointment, Remuneration, Performance and Succession of the CEO and Senior Executives

6.1 Appoint the MD/CEO's and, if necessary, terminate the employment and set accountabilities for the MD/CEO.

6.2 Evaluate, at least annually, the performance of the MD/CEO and monitor the MD/CEO's evaluation of the performance of executives reporting to the MD/CEO.

6.3 Develop and approve a succession plan for the MD/CEO and monitor succession plans for executives reporting to the MD/CEO.

6.4 Develop and approve key accountabilities and performance measures for the MD/CEO and senior executives.

6.5 Approve the remuneration framework for the MD/CEO and executives and satisfy itself that the executive remuneration framework is aligned with Macmahon's purpose, values, strategic objectives, risk appetite, and stakeholders' interests and regulatory requirements - including that remuneration arrangements do not incentivise behaviour that may lead to inappropriate or excessive risk-taking.

6.6 Approve the MD/CEO's and executives' performance-based incentive plans, including performance hurdles, variable remuneration payments, other rewards and benefits, termination payments, and clawback as required.

6.7 Approve incentive plans for employees, including equity-based plans and any material amendments to existing plans.

7. People

7.1 Oversee the strategies to recruit, retain and develop employees and apprentices and monitor key people metrics.

7.2 Approve the employee reward and recognition framework and associated policies.

7.3 Oversee strategies for the development of diversity and inclusion for the Board, senior management, and the workforce and approve Macmahon's Diversity and Inclusion Policy.

7.4 Oversee Macmahon's approach to cultural heritage and reconciliation.

7.5 Approve Macmahon's Whistleblower Policy and Code of Conduct and review of misconduct reported.

8. Health, Safety and Wellbeing

The Board will take reasonable steps to:

8.1 Acquire and keep up-to-date knowledge of WHS matters relevant to Macmahon's operations.

8.2 Gain and maintain an understanding of the nature of Macmahon's operations and generally of the physical and psychological health and safety hazards and risks associated with those operations.

8.3 Monitor that Macmahon has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work carried out as part of its operations.

8.4 Ensure that Macmahon has appropriate processes for receiving and considering information regarding incidents, hazards and risks and responding to that information in a timely way.

8.5 Ensure that Macmahon has, and implements, appropriate processes for complying with its duties and obligations under applicable WHS legislation.

8.6 Verify the provision and use of the resources and processes referred to in clauses 8.3 to 8.5 through appropriate reporting, site engagement, audit and assurance, and oversee management's response to material deficiencies.

9. Risk Management

9.1 Approving the risk appetite within which the Board expects management to operate.

9.2 Satisfy itself that Macmahon has an appropriate risk culture in place, supported by an effective risk management framework and resources.

9.3 Monitor material business risks and emerging risks and consider management's plan to manage those risks.

9.4 Review of the annual insurance program and approve the D&O Policy.

9.5 Oversee material climate-related financial risks and opportunities, including those identified through scenario analysis, and ensure these are appropriately considered within the Group's broader risk management framework.

10. Information Security

10.1 Satisfy itself that Macmahon has in place an information security framework, resources, and internal controls to safeguard information assets and personal information and that it is compliant with relevant regulations, community expectations, and privacy laws.

10.2 Satisfy itself that Macmahon's cyber posture is appropriate to mitigate potential and actual cyber-attacks and data breaches, including that they are compliant with relevant regulations, standards and best practices.

11. Material Claims and Litigation

11.1 Monitor significant claims and litigation in which Macmahon is involved and approve litigation settlements outside the MD/CEO's delegation.

12. Compliance

12.1 Require and oversee that appropriate compliance frameworks, resources, and controls are in place and operating effectively to ensure compliance with relevant laws, regulations, and internal policies.

12.2 Oversight of material non-compliance issues with applicable laws, regulations, licences, and internal policies and monitor that these are addressed promptly.

13. Audit and Assurance

13.1 Recommend to shareholders the appointment and, should it be necessary, the removal of the external auditor.

13.2 Oversee Macmahon's external and internal audit activities, including reviewing findings arising from assurance reports and the independence of the external and internal auditors.

14. Sustainability and ESG

14.1 Consider and approve Macmahon's strategic approach to sustainability and environmental, social, and governance (**ESG**) and ESG framework, including its alignment with applicable laws, regulations and standards.

14.2 Approve Macmahon's Sustainability Policy and related policies.

14.3 Monitor performance and progress against sustainability and environmental, social, people, and community-related targets.

14.4 Approve significant programs to reduce carbon emissions and address climate-related risks and opportunities affecting Macmahon, including adaption and mitigation responses.

14.5 Approve Macmahon's annual Sustainability Report, including any mandatory climate-related financial disclosures required under applicable laws and standards.

14.6 Approve Macmahon's annual Modern Slavery Statement.

14.7 Oversee the governance, implementation and ongoing integrity of climate-related financial disclosures, including governance, strategy, risk management and metrics and targets, in line with mandatory reporting standards.

14.8 Approve and periodically review any Climate Transition Plan developed by Macmahon, including (where applicable) climate-related scenario analysis and decarbonisation pathways.

15. Borrowing and Credit Facilities

15.1 Approve the entry into agreements (or changes thereto) for borrowings, leasing, bonding and credit facilities that give security over the assets of the Group outside the MD/CEO's delegation.

16. Capital Management and Dividend

16.1 Approve any capital management and capital raising initiatives, including the offer and issue of new securities, on-market purchase of securities, capital returns, and buy-backs.

16.2 Approve Macmahon's Dividend Policy and the declaration of dividends.

17. Shareholder and Stakeholder Engagement and Market Disclosures

17.1 Oversight of shareholder and stakeholder engagement programs to facilitate two-way communications with shareholders and the wider investment community.

17.2 Approve Macmahon's Continuous Disclosure Policy and price-sensitive announcements to the ASX and monitor compliance with ASX Listing Rules.

17.3 Approve and monitor compliance with Macmahon's Securities Trading Policy and ensuring that dealings in Macmahon securities by Directors is promptly notified to the ASX.

18. Shareholder Meetings

18.1 Keep shareholders informed of Macmahon's performance and significant developments affecting its state of affairs.

18.2 Report and communicate with shareholders on arrangements for meetings of shareholders.