
TRADING IN SHARES POLICY

DIRECTORS, OFFICERS' & EMPLOYEES DEALING IN MACMAHON SHARES

Directors and Officers are prohibited from any trading of a short-term or speculative nature in the securities of Macmahon Holdings Limited ("Macmahon"). Directors and Officers may not deal in securities of Macmahon (other than the exercise of employee options and performance rights, dividend reinvestment and rights issues, and transfers to related parties) in the four week period leading up to the profit announcement in respect of each June and December half year, or immediately prior to announcements in relation to any material changes in Macmahon's financial performance or changes to major contracts.

In addition to the specific requirements of this policy, Directors, Officers and employees must ensure they comply with all legislative requirements regarding trading in securities. In particular individuals should be aware of the prohibitions in the corporations legislation on dealing in securities of Macmahon if they are in possession of information concerning Macmahon that is not generally available, which, if made public, would be likely to have a material impact on the price of Macmahon's securities.

PROCEDURAL GUIDELINES

Directors and Officers of Macmahon are strongly encouraged to follow a long term holding policy with respect to their investments in Macmahon's securities (which includes derivatives).

Prior to dealing in Macmahon shares:

- a Director should obtain the agreement of the Chairman (who will consult with the Chief Executive Officer (CEO) or Chief Financial Officer (CFO));
- the Chairman should obtain the agreement of all other Directors (who may consult with the CEO or CFO); and
- an Officer should obtain the agreement of the CFO (who will consult with the CEO); that there is no impediment to such dealing.

The requirement to obtain the Chairman's or the CFO's agreement, as the case may be, does not apply where the securities are being acquired under a standing instruction under the Dividend Reinvestment Program, through the exercise of options granted under Macmahon's share option plans or under an acceptance of offers made to all Shareholders. However, the requirement does apply to the trading of these securities once they have been acquired.

When a Director or Officer has obtained agreement to sell shares, it would be appropriate to advise the CFO in advance of the actual time of the transaction in order for Macmahon to be in a position to respond to any external queries on the nature or reason for the sale.

If shares are to be bought or sold then they should wherever possible be traded on one trading order and not over an extended period of time. This is intended to indicate the trade is an investment decision and not a speculative one.

Australian Securities Exchange (“ASX”) listing rule 3.19A requires the Company to notify the ASX of a change in a director’s interest within 5 business days. Directors and Officers must notify the Company Secretary of details of any trade in Macmahon’s securities within two business days of such trade occurring to enable the Company to meet its obligations under the listing rules. Directors are obliged under section 205G of the Corporations Act to notify the ASX within 14 days after any change in a director’s interest. The Company Secretary will ensure that all necessary disclosures are lodged at the ASX on behalf of the Company.

The Company Secretary will maintain a register for all trades and holdings in Macmahon’s securities by Directors and Officers. The Company Secretary monitors and ensures compliance with this policy.

PROHIBITED TRANSACTIONS

All Officers and employees are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme. Any hedging of unvested equity will result in immediate forfeiture.

MARGIN LOANS

If a Director or Officer enters into a margin lending arrangement involving Company shares or otherwise encumbers Company shares (“Security Arrangement”), then the Director or Officer must provide details of the Security Arrangement to the Chairman, or the Company Secretary immediately. Where a Director or Officer has entered into a Security Arrangement for a material number of shares, the Company may be required or may otherwise decide to notify the ASX of these arrangements.

GENERAL

In this policy “Officer”:

- Means senior executives and other employees considered to be officers under the Corporations Act 2001.
- Includes any employee who in the performance of his or her duties may become aware of price sensitive information.