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# SCHEMES OF ARRANGEMENT UPDATE - DECMIL ENTERS INTO BOND FACILITY AGREEMENT WITH MACMAHON

- Decmil to shortly lodge draft Scheme Booklet with ASIC for review
- Decmil has finalised the terms of a \$20m Bond Facility Agreement with Macmahon
- The Bond Facility will enable Decmil to compete for new work to support tenders for new contracts which may require Decmil to provide Bank Guarantees or Performance Bonds

## Schemes of Arrangement Update

Decmil Group Limited (ASX: DCG) (**Decmil** or the **Company**) refers to the announcement released on 16 April 2024 (**Scheme Announcement**) in which Decmil announced the execution of a Scheme Implementation Deed with Macmahon Holdings Limited (ASX: MAH) (**Macmahon**). Under the Scheme Implementation Deed, Macmahon has agreed, subject to the satisfaction of various conditions, to acquire 100% of the issued ordinary shares and redeemable convertible preference shares in Decmil (**Schemes**).

Decmil and Macmahon have been working collaboratively to satisfy the conditions precedent under the Scheme Implementation Deed. As a result, Decmil will shortly lodge a draft Scheme Booklet in relation to the Schemes with ASIC for review. The Scheme Booklet contains information about the Schemes, Decmil, Macmahon, and the Independent Expert Report.

## Bond Facility Agreement

Decmil and certain members of the Decmil Group have entered into a bond facility agreement (**Bond Facility Agreement**) with Macmahon, pursuant to which Macmahon may arrange the issue of bonds required by counterparties to Decmil's operational contracts (if requested by Decmil).

The Bond Facility Agreement is an uncommitted facility with a limit of \$20 million to enable Decmil to continue to tender for new contracts to support the growth of the business, and without having to renegotiate its existing bonding facilities.

Decmil considers the terms of the Bond Facility Agreement are at least as favourable as its existing bond facilities.

If the Scheme Implementation Deed (executed by Decmil and Macmahon and announced on 16 April 2024 in the Scheme Announcement) is terminated, Decmil would be required to pay the outstanding face value of any bonds issued under the Bond Facility Agreement which remained outstanding (and had not expired or been replaced by Decmil with other bonds issued under other facilities in place) within 60 days of the date of termination of the Scheme Implementation Deed.

Further details of the Bond Facility Agreement are set out in the Annexure to this announcement and will be contained in the Scheme Booklet.

***This announcement has been authorised for release by the Continuous Disclosure Committee of Decmil Group Limited.***

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## **About Decmil**

Decmil Group Limited is a market leader in complex, multi-disciplinary project services. Decmil's group of companies deliver integrated construction and engineering solutions across the resources, infrastructure, and renewables sectors. Decmil's goal is to maximise returns from operations to deliver value to shareholders, clients, and other stakeholders.

## **About Macmahon**

Macmahon is an ASX listed company offering the complete package of mining services to miners throughout Australia and Southeast Asia. Macmahon's extensive experience in both surface and underground mining has established Macmahon as the contractor of choice for resources projects across a range of locations and commodity sectors. Macmahon is focused on developing respectful partnerships with its clients whereby both parties work in an open, flexible, and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties.

## ANNEXURE – SUMMARY OF TERMS OF THE BOND FACILITY AGREEMENT

- (a) **(Purpose)** The Bond Facility Agreement has been executed by the parties to assist Decmil and its subsidiaries (together, the **Decmil Group**) to:
- (i) compete more effectively for work, including by tendering for new contracts; and
  - (ii) comply with the Decmil Group's obligations to provide bank guarantees and performance bonds under existing contracts.
- (b) **(Facility and Facility Limit)** The bond facility is an uncommitted facility with a Facility Limit of \$20,000,000.
- (c) **(Conditions precedent drawing)** Drawdowns under the Bond Facility Agreement are subject to the bond issuer agreeing to provide the requested bond and certain customary conditions.
- (d) **(Fees)** The fees payable by Decmil under the Bond Facility Agreement are at least as favourable as the fees payable by Decmil under its existing bond facilities.
- (e) **(Guarantee)** The Bond Facility Agreement contains a guarantee and indemnity under which certain members of the Decmil Group (**Guarantors**) guarantee to Macmahon the punctual performance by Decmil and each other Guarantor of their obligations under the Bond Facility Agreement and undertake to pay to Macmahon on demand any amount which Decmil does not pay when it is due.
- (f) **(Events of Default)** The Bond Facility Agreement includes customary events of default (including failure to pay and insolvency events). Should an event of default occur, Macmahon may by written notice to Decmil declare that the bond facility is cancelled and / or that Decmil must immediately repay any outstanding amounts owed under the Bond Facility Agreement.
- (g) **(Review Events)** The Bond Facility Agreement deems certain events to be "Review Events". "Review Events" include events that make it unlikely that the Schemes of Arrangement proposed with Macmahon, which were disclosed in the Scheme Announcement, would proceed, such as the Scheme Participants not approving the Schemes at the relevant scheme meetings in accordance with the Scheme Implementation Deed, the Court not making orders approving the Schemes or the failure to satisfy any other of conditions precedent set out in the Scheme Implementation Deed. Decmil must promptly provide Macmahon with written notice giving a description of the Review Event. Macmahon may then request amendments to the Bond Facility Agreement within 60 days of receiving that notice. Macmahon and Decmil will negotiate those amendments in good faith for a period of 30 days and if the amendments cannot be agreed within that 30-day period, Macmahon may declare that any outstanding moneys are payable by no later than 30 days after receipt of that notice.
- (h) **(Termination)** The Bond Facility Agreement shall terminate on the date that is the earlier of:
- (i) the date which is six months after the Implementation Date under the Scheme Implementation Deed executed by Decmil and Macmahon and announced on 16 April 2024 in the Scheme Announcement; or
  - (ii) the date which is 60 days after the date on which the Scheme Implementation Deed is terminated,

**(Termination Date).**

- (i) **(Repayment)** Following the Termination Date, Decmil must pay the outstanding face value of any bonds issued under the Bond Facility Agreement which remain outstanding (and which have not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place), and any other amounts (if any) which remain unpaid by Decmil to Macmahon under the Bond Facility Agreement. Decmil will therefore have a period of 60 days within which to refinance the Facility if the Scheme Implementation Deed is terminated.
- (j) **(Other terms)** The Bond Facility Agreement is otherwise on terms customary for an agreement of this nature.
- (k) **(Governing law)** The Bond Facility Agreement is governed by the laws of Western Australia.