

25 June 2024

## ASIC REGISTERS DECMIL'S SCHEME BOOKLET FOR PROPOSED ACQUISITION BY MACMAHON

- **ASIC has registered Decmil's Scheme Booklet, for the proposed acquisition of Decmil by Macmahon**
- **As announced on 16 April 2024, Macmahon has made an offer to acquire all of Decmil's Shares on issue for \$0.30 each and all of Decmil's RCPS on issue for \$0.343 each, by way of two inter-conditional schemes of arrangement**
- **The Ordinary Scheme Consideration of \$0.30 per Decmil Share represents a premium of:**
  - **76.5% over the closing Decmil Share price on 15 April 2024 of \$0.17; and**
  - **81.8% to the 30-day volume weighted average price (VWAP) of Decmil Shares to 15 April 2024 of \$0.17**
- **Macmahon's cash offer provides Decmil Securityholders with enhanced certainty and accelerated value for their Shares and RCPS**
- **Independent Expert's Report concludes Macmahon offer is fair and reasonable, and in the best interests of shareholders**
- **Decmil's Directors unanimously recommend that, in the absence of a superior proposal, Decmil Securityholders vote in favour of the Schemes**

Decmil Group Limited (ASX:DCG) (**Decmil**) is pleased to announce that the Australian Securities and Investments Commission (**ASIC**) has registered the scheme booklet concerning the proposed inter-conditional schemes of arrangement (**Scheme Booklet**) under which Macmahon Holdings Limited (**Macmahon**) has agreed to acquire 100% of the issued ordinary shares (**Decmil Shares**) and redeemable convertible preference shares (**Decmil RCPS**) in Decmil (**Schemes**).

Unless defined separately, a capitalised term used in this announcement has the same meaning as given to that term in the Scheme Booklet.

As announced by Macmahon and Decmil on 16 April 2024, it is proposed that Macmahon will pay Decmil Shareholders \$0.30 per Decmil Share and Decmil RCPS Holders \$0.343 per Decmil RCPS by way of the Schemes.

ASIC's registration of the Scheme Booklet follows prior Supreme Court of Western Australia (**Court**) approval to convene meetings of Decmil Securityholders to vote on the Schemes (**Scheme Meetings**).

The Scheme Booklet contains the Independent Expert's Report for the transaction. The Independent Expert, Nexia Perth Pty Ltd, has concluded that the Schemes are fair and reasonable and, therefore, in the best interests of Decmil Securityholders in the absence of a superior proposal. The Independent Expert's conclusions should be read in context, including the full Scheme Booklet and full Independent Expert's Report which is included in Appendix A of the Scheme Booklet.

## Release and dispatch of the Scheme Booklet

The dispatch of the Scheme Booklet to Decmil Securityholders will take place on or about 2 July 2024, including the Independent Expert's Report and the notices of the Scheme Meetings. A copy of the Scheme Booklet is also attached to this announcement. There are four methods by which the Scheme Booklet will be distributed:

- to each Shareholder and RCPS Holder who has nominated an electronic address for the purposes of receiving a notice of meeting from Decmil (or, in the case of joint holders, to the holder whose name appears first in Decmil's register of members), an email containing a link to a website where those Shareholders and RCPS Holders can access the Scheme Booklet and lodge a proxy form;
- to each Shareholder and RCPS Holder who has a registered address in Australia who has not elected to receive hard-copy correspondence from Decmil, a notice and access letter and an applicable proxy form, by pre-paid or ordinary post, mail or courier;
- to each Shareholder and RCPS Holder who has a registered address in Australia, who has elected to receive hard-copy correspondence from Decmil, a copy of the Scheme Booklet and the applicable proxy form by pre-paid or ordinary post, mail or courier; or
- to each Shareholder and RCPS Holder who has a registered address outside Australia, who has elected to receive hard-copy correspondence from Decmil (or, in the case of joint holders, to the holder whose name appears first in Decmil's register of members), a copy of the Scheme Booklet and the applicable proxy form by pre-paid airmail or air courier.

The Scheme Booklet will also be available to view or download at [www.decmil.com/investor-relations](http://www.decmil.com/investor-relations).

Decmil Securityholders who wish to receive a printed copy of the Scheme Booklet may request one by calling +61 8 6240 8126. Decmil Securityholders should read the Scheme Booklet carefully and its entirety before deciding whether to vote in favour of the Schemes at the Scheme Meetings.

## Scheme Meetings

The Scheme Meetings will be held on 31 July 2024 at Level 14, 221 St Georges Terrace, Perth, WA, 6000. The Ordinary Scheme Meeting will be held at 10:00am (AWST) while the RCPS Scheme Meeting is scheduled for the later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting.

As a reminder, both the Scheme Meetings will be held in person only, there will be no virtual access to the Scheme Meetings for Decmil Securityholders or their representatives.

Decmil Securityholders and their proxies, attorneys or corporate representatives will be entitled to attend and vote at the relevant Scheme Meetings. Full details on how to vote are set out in Section 6 of the Scheme Booklet.

## Decmil Board Recommendation<sup>1</sup>

Decmil's Board continues to unanimously recommend Decmil Securityholders vote in favour of the Schemes, subject to no superior proposal and subject to the Independent Expert continuing to conclude the Schemes are in the best interest of Decmil Securityholders. Each member of the Decmil Board also intends to vote all Decmil Shares and Decmil RCPS they control in favour of the Schemes, subject to these conditions.

## Indicative Timetable

An indicative timetable for the implementation of the Schemes is set out below:

Event	Date
Latest time and date for lodgement of completed proxy forms for the Scheme Meetings Ordinary Scheme Meeting RCPS Scheme Meeting	10:00am (AWST) on 29 July 2024 11:00am (AWST) on 29 July 2024
Time and date for determining eligibility to attend and vote at the Scheme Meetings Ordinary Scheme Meeting RCPS Scheme Meeting	5:00pm (AWST) on 29 July 2024 5:00pm (AWST) on 29 July 2024
Scheme Meetings to be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 Ordinary Scheme Meeting RCPS Scheme Meeting	10:00am (AWST) on 31 July 2024 The later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting on 31 July 2024

<sup>1</sup> It should be noted that when considering this recommendation that:

- Andrew Barclay and his associates have an interest in 241,855 Decmil Shares, 177,834 Decmil RCPS, 900,000 unquoted Decmil options (which, in accordance with the Scheme Implementation Deed (SID) will be cancelled for consideration), 2,000,000 unvested Decmil performance rights (which, are expected to be vested and exercised in full in connection with the Schemes).
- Rod Heale and his associates have an interest in 400,000 Decmil RCPS, 7,727,274 unvested Decmil performance rights (which will be vested and exercised in full in connection with the Schemes) and 5,810,099 unvested Decmil 2023 performance rights (which, in accordance with the SID will be converted to Macmahon shares and escrowed in two tranches for release on 1 Jan 2025 and 1 July 2025. The conversion into Macmahon shares is based on the implied value of \$0.2362 per Macmahon share prior to execution of the SID).
- Peter Thomas and his associates have an interest in 1,300,000 Decmil Shares, 2,009,670 Decmil RCPS, 900,000 unquoted Decmil options (which, in accordance with the SID will be cancelled for consideration), 6,000,000 unvested Decmil performance rights (which will be vested and exercised in full in connection with the Schemes) and 5,117,955 unvested Decmil 2023 performance rights (which, in accordance with the SID will be converted to Macmahon shares and escrowed in two tranches for release on 1 Jan 2025 and 1 July 2025. The conversion into Macmahon shares is based on the implied value of \$0.2362 per Macmahon share prior to execution of the SID).
- David Steele and his associates have an interest in 125,000 Decmil Shares and 91,912 Decmil RCPS.
- Vin Vassallo and his associates have an interest in 100,000 Decmil Shares and 50,000 Decmil RCPS.

These arrangements and the amounts payable on implementation of the Schemes to each of the Directors, are described in more detail in the Scheme Booklet. Despite their interest in the outcome of the Schemes, each Director considers that, given the importance of the Schemes, and their roles as Decmil Directors, it is important and appropriate for them to provide a recommendation in relation to voting on the Schemes.

Event	Date
If the Schemes are approved by the Requisite Majority of Decmil Securityholders, the expected timetable for implementing the Schemes is:	
Second Court Date for approval of the Schemes	5 August 2024
Effective Date of the Schemes and last day of trading of Decmil Shares and Decmil RCPS on ASX	6 August 2024
Suspension of trading of Decmil Shares and Decmil RCPS on ASX	Close of trading on 6 August 2024
Record Date for determining entitlements to the Scheme Consideration	5:00pm (AWST) on 8 August 2024
Implementation Date for the issue of Scheme Consideration to Scheme Participants	15 August 2024
Termination of official quotation of Decmil Shares and Decmil RCPS on ASX	Expected to occur on 16 August (or as otherwise determined by ASX)

All stated dates and times are indicative only and subject to necessary approvals from the Court and each other condition precedent to the Schemes being satisfied or waived. Decmil has the right to vary the timetable detailed above subject to the approval of such variation by Macmahon, the Court, and ASIC where required. Any changes to the above timetable will be disclosed.

For further information on the Schemes, you can contact the Company Secretary of Decmil, Mr Peter Coppini by phone on: +61 8 6240 8126 or via email: [investors@decmil.com.au](mailto:investors@decmil.com.au).

***This announcement has been authorised for release by the Board of Directors of Decmil Group Limited.***

#### **For further information please contact:**

##### **Investors**

Mr Peter Thomas  
CFO  
Ph: +61 (0) 8 6240 8160  
Email: [investors@decmil.com.au](mailto:investors@decmil.com.au)

##### **Media**

Mr Cameron Morse  
FTI Consulting, Strategic Communications  
Ph: +61 (0) 433 886 871  
Email: [Cameron.morse@fticonsulting.com](mailto:Cameron.morse@fticonsulting.com)

#### **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 Securityholders, 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 the Company 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.

# Decmil Group Limited

ACN 111 210 390

## Scheme Booklet

for a scheme of arrangement in relation to the proposed acquisition of all the fully paid ordinary shares in Decmil Group Limited and an inter-conditional scheme of arrangement for the acquisition of all the redeemable convertible preference shares in Decmil Group Limited by Macmahon Holdings Limited.

**The Decmil Directors unanimously recommend that, in the absence of a Superior Proposal,<sup>1</sup> you**

**VOTE IN FAVOUR**

**of the Schemes of Arrangement with**

## Macmahon Holdings Limited

ACN 007 634 406

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Ordinary Scheme and the RCPS Scheme are fair and reasonable and in the best interests of Decmil Shareholders and Decmil RCPS Holders.

This is an important document and requires your prompt attention. You should read it in its entirety before you decide how to vote on the Schemes. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

**Legal Adviser to Decmil**

**STEINEPREIS PAGANIN**  
Lawyers & Consultants 

**Corporate Adviser to Decmil**

**MA Moelis Australia**

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<sup>1</sup> Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. These interests are described in Section 5.2.

## Important information

### **This Scheme Booklet contains important information.**

The purpose of this Scheme Booklet is to explain the terms of the Schemes, the manner in which the Schemes will be considered and implemented (if the Scheme Conditions are satisfied or waived), and to provide such information as is prescribed or otherwise material for Decmil Securityholders when deciding whether or not to vote in favour of the Schemes. This document includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Schemes. You should read this document in its entirety before making a decision on whether or not to vote in favour of the Schemes.

### **Investment decisions**

This Scheme Booklet is for Decmil Securityholders collectively and does not take into account an individual's investment objectives, financial situation, taxation position or other particular needs.

This Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Schemes or Decmil Securities. If you are in any doubt about what you should do, you should seek independent legal, financial or other professional advice before making any investment decision in relation to the Schemes.

### **Responsibility for information**

The information concerning the Decmil Group contained in this Scheme Booklet, including financial information and information as to the views and recommendations of the Decmil Directors, has been provided by Decmil and is the responsibility of Decmil. None of Macmahon, the Macmahon Directors, Macmahon's officers, or its advisers, nor the advisers of Decmil assume any responsibility for the accuracy or completeness of that information.

The Macmahon Information has been provided by Macmahon and is the responsibility of Macmahon. None of

Decmil, the Decmil Directors, its advisers, nor the advisers of Macmahon assume any responsibility for the accuracy or completeness of that information.

Nexia Perth Corporate Finance Pty Ltd has prepared the Independent Expert's Report set out in Annexure A of this Scheme Booklet and takes responsibility for that report. Macmahon, Decmil and their respective advisers, directors and officers do not assume any responsibility for the accuracy or completeness of the Independent Expert's Report, except, in the case of information provided by Decmil, Decmil takes responsibility for the information it provided to the Independent Expert.

No consenting party has withdrawn their consent to be named before the date of this Scheme Booklet.

### **Role of ASIC, ASX, and the Court**

A copy of this Scheme Booklet has been examined by ASIC pursuant to section 411(2)(b) of the Corporations Act and lodged with, and registered by, ASIC under section 412(6) of the Corporations Act. Decmil has requested ASIC provides statements, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides those statements, they will be produced to the Court on the Second Court Date.

A copy of this Scheme Booklet has been lodged with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

The Court is not responsible for the contents of this Scheme Booklet and, the fact that under section 411(1) of the Corporations Act the Court ordered on 24 June 2024 that meetings of Decmil Securityholders be convened by Decmil to consider and vote on the Schemes and has approved the Scheme Booklet does not mean that the Court:

(a) has formed any view as to the merits of the proposed Schemes or as to how

Decmil Securityholders should vote (on this matter, Decmil Securityholders must reach their own decision); and

- (b) has prepared, or is responsible for, the content of this Scheme Booklet.

### **Forward-looking statements**

This Scheme Booklet contains both historical and forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. The statements contained in this Scheme Booklet about the advantages and disadvantages expected to result from the Schemes are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of Decmil and/or Macmahon to be materially different from future results, performance or achievements expressed or implied by such statements. The operations and financial performance of Decmil and/or Macmahon and the disposal of Decmil Shares and Decmil RCPS in exchange for the Scheme Consideration are subject to various risks that are summarised in Section 15 of this Scheme Booklet and that may be beyond the control of Decmil.

As a result, Decmil's actual results of operations and earnings and those of Macmahon following implementation of the Schemes, as well as the actual advantages and disadvantages of the Schemes, may differ significantly from those that are anticipated in respect of timing, amount or nature and may never be achieved.

The forward-looking statements included in this Scheme Booklet reflect views only as of the date of this Scheme Booklet. None of Decmil, Macmahon, the Decmil Directors or the Macmahon Directors or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur and you are cautioned not to place undue reliance on such forward-looking statements.

All written and oral forward-looking statements attributable to Decmil or Macmahon or any person acting on their

behalf are qualified by this cautionary statement. Subject to any continuing obligations under the ASX Listing Rules or the Corporations Act, neither Decmil nor Macmahon give any undertaking to update or revise any such statements after the date of this Scheme Booklet to reflect any change in expectations in relation thereto or any change in events, conditions or circumstances on which any such statement is based.

### **Foreign jurisdictions**

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Scheme Booklet has been prepared in accordance with the laws of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia. Decmil Securityholders who are residents outside of Australia, or who are nominees, trustees or custodians for beneficial holders' resident outside Australia are encouraged to seek independent advice as to how they should proceed.

### **Privacy and Entitlement to inspect Decmil Registers**

Personal information may be collected by Decmil and Macmahon in the process of implementing the Schemes. This information may include the name, contact details, security holding details of Decmil Securityholders, and the names of individuals appointed to act as proxy, attorney or corporate representative by a Decmil Securityholder at the Ordinary Scheme Meeting and/or RCPS Scheme Meeting (as the case may be). The primary purpose for collecting this personal information is to assist Decmil and Macmahon to conduct the Ordinary Scheme Meeting and RCPS Scheme Meeting and implement the Schemes.



Any personal information collected may be disclosed to Decmil's and Macmahon's respective share registries, advisers, print and mail service providers and related bodies to the extent necessary to effect the Schemes. Decmil Securityholders are entitled under section 173 of the Corporations Act to inspect and obtain copies of personal information collected. Decmil Securityholders should contact Computershare Investor Services Pty Limited (**Computershare**) in the first instance if they wish to access their personal information.

### **Defined terms**

Capitalised terms and certain other terms used in this Scheme Booklet are defined in the Glossary of defined terms in Section 20.

The Independent Expert's Report set out in Annexure A has its own defined terms and those terms are sometimes different to the defined terms in the Glossary.

### **Currency**

All references in this Scheme Booklet to "\$", "AUD" or "dollar" are references to Australian currency unless otherwise indicated.

### **Effect of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, their actual calculation may differ from the calculations set out in this Scheme Booklet.

### **Reference to time**

All references in this document to time relate to the time in Perth, Western Australia, unless otherwise specified.

### **Date of this document**

This document is dated 25 June 2024.

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## 1. LETTER FROM THE CHAIR OF DECMIL

Dear Decmil Securityholder

### Introduction

I am pleased to provide you with this Scheme Booklet in relation to the proposal that was jointly announced on 16 April 2024 by Decmil and Macmahon proposing that all the fully paid ordinary shares in Decmil would be acquired by Macmahon for \$0.30 per Decmil Share under a members' scheme of arrangement between Decmil and the Decmil Shareholders (**Ordinary Scheme**).

The parties have also agreed terms as to a separate scheme of arrangement pursuant to which all Decmil RCPS would be acquired by Macmahon for the aggregate of \$0.335 per Decmil RCPS and an amount equal to \$0.008 per Decmil RCPS (in compensation for the dividend that would otherwise have been earned by each Decmil RCPS Holder) (**RCPS Scheme**). The RCPS Scheme and the Ordinary Scheme are inter-conditional. This means that neither Scheme will proceed unless both the RCPS Scheme and the Ordinary Scheme are approved by Decmil Securityholders.

This Scheme Booklet contains full details of the Schemes. The Decmil Board encourages you to consider the information in this Scheme Booklet carefully to help you determine whether or not to vote in favour of the Schemes.

The decision of the Decmil Board to proceed with the Schemes followed an extensive examination of growth options with a wide range of potential partners and corporate scenarios for Decmil Securityholders conducted over a considerable period.

The Ordinary Scheme Consideration of \$0.30 per Decmil Share represents:

- (a) a 76.5% premium over the closing Decmil Share price on 15 April 2024 of \$0.17; and
- (b) an 81.8% premium to the 30-day volume weighted average price (**VWAP**) of Decmil Shares to 15 April 2024 of \$0.1650; and

the RCPS Scheme Consideration of \$0.343 per Decmil RCPS represents:

- (a) an 80.5% premium over the closing Decmil RCPS price on 15 April 2024 of \$0.19; and
- (b) an 81.2% premium to the 30-day VWAP of Decmil RCPS to 15 April 2024 of \$0.189.

In particular, the premium to the Decmil Share and Decmil RCPS prices prior to the announcement of the Schemes offered through the Scheme Consideration, provide both certainty and accelerated value today that Decmil's position as a standalone company cannot be guaranteed to provide.

Macmahon intends to operate Decmil as a wholly owned subsidiary of Macmahon and to maintain Decmil's own branding, with the existing Macmahon civil business to merge under this umbrella.

After considerable deliberation, the boards from both companies believe that the combination of these two companies offers significant potential and provide a compelling strategic rationale for the proposed Schemes.

## Decmil Board Recommendation<sup>2</sup>

The Board unanimously recommends, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that:

- the Ordinary Scheme is in the best interests of Decmil Shareholders; and
- the RCPS Scheme is in the best interests of Decmil RCPS Holders,

Decmil Shareholders should vote in favour of the Ordinary Scheme and Decmil RCPS Holders should vote in favour of the RCPS Scheme.

Subject to these qualifications, each Decmil Director intends to vote in favour of the Schemes in respect of their own holdings in Decmil.

Rod Heale and Peter Thomas, both being Decmil Directors, have each provided Decmil with signed voting intention statements, indicating that they intend to vote all Decmil Securities held by them at the time of the Scheme Meetings in favour of the Schemes. These voting intention statements are subject to no Superior Proposal being publicly announced before the commencement of the Scheme Meetings and the Independent Expert continuing to conclude as at the date of the Scheme Meetings that the Schemes are in the best interests of Decmil Securityholders. Messrs Heale and Thomas' interests in Decmil Securities are set out in Section 13.8.

The reasons for the unanimous recommendation by the Board are set out in Section 7 of this Scheme Booklet.

In summary, the Decmil Board believes that the Schemes will provide Decmil Securityholders with a number of benefits including:

- the Ordinary Scheme Consideration, being \$0.30 per Decmil Share, represents an 81.8% premium to the 30-day VWAP of Decmil Shares to 15 April 2024 of \$0.1650;
- the RCPS Scheme Consideration, being \$0.343 per Decmil RCPS represents an 81.2% premium to the 30-day VWAP of Decmil RCPS to 15 April 2024 of \$0.189;
- the all-cash Ordinary Scheme Consideration of \$0.30 per Decmil Share provides you with an opportunity to realise certainty of value for your Decmil Shares now (subject to conditions precedent to the Schemes being satisfied or waived and the Ordinary Scheme being implemented);
- the all cash RCPS Scheme Consideration of \$0.343 per Decmil RCPS provides you with an opportunity to realise certainty of value for your Decmil RCPS now (subject to conditions precedent to the Schemes being satisfied or waived and the RCPS Scheme being implemented);
- you will no longer be subject to ongoing risks and uncertainties involved in Decmil's operations and future developments;

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<sup>2</sup> Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. Each of the Decmil Directors considers that it is appropriate for them to make a recommendation in relation to the Schemes, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Schemes or their ability to make a recommendation to Decmil Securityholders. Further details of the potential benefits (including the value of them) are outlined in Section 5.2.

- Decmil Shares and Decmil RCPS might trade at a lower price if the Schemes are not implemented and no Superior Proposal emerges, in the absence of favourable market conditions;
- the Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders;
- no Superior Proposal has emerged as at the date of this Scheme Booklet; and
- you will not incur any brokerage charges on the transfer of your Decmil Shares or Decmil RCPS if the Schemes proceed.

The Decmil Board also notes a number of disadvantages associated with the Schemes as outlined in Section 5.4 of this Scheme Booklet, which include:

- you may not agree with the unanimous recommendation of the Decmil Directors and the Independent Expert's conclusion;
- you may prefer to participate in the future financial performance of the Decmil Group business;
- you may believe it is in your best interests to maintain your current investment and risk profile;
- a Superior Proposal for Decmil may emerge in the future, if Decmil were to continue as a stand-alone entity. However, since announcement of the Schemes and up to the date of this Scheme Booklet, no other proposal has been received, nor are the Decmil Directors aware of any such intention of a party to make such a proposal; and
- the tax consequences of the Schemes being implemented may not suit your current financial position or tax circumstances.

It should also be noted that If the Schemes are not implemented, then in order for Decmil to develop or enhance its business, it would need to raise additional funds, which may include an equity issue which may be dilutive. There can be no assurance that such funding will be available on satisfactory terms, or at all.

Further, as announced on 3 June 2024, 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 (if requested by Decmil and approved by Macmahon) arrange the issue of bonds required by counterparties to Decmil's operational contracts. If the Scheme Implementation Deed 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 which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.

Your Decmil Board believes that the benefits of the Schemes significantly outweigh the potential disadvantages and risks associated with the Schemes.

## **Independent Expert**

Nexia Perth Corporate Finance Pty Ltd, the Independent Expert, engaged by the Decmil Board, has concluded that the Schemes are fair and reasonable and in the best interests of Decmil Securityholders, in the absence of a Superior Proposal. The Decmil Board encourages you to read and consider the Independent Expert's Report, which is contained in Appendix A to this Scheme Booklet.

## **Next steps**

Your vote is important and I encourage you to vote either by attending the Ordinary Scheme Meeting to be held at 10:00am (AWST) on 31 July 2024, followed by the RCPS Scheme Meeting to be held at the later of the conclusion of the Ordinary Scheme Meeting and 11:00am (AWST), or by completing and returning the attached Proxy Form so that it is received at the address shown on the Proxy Form by 10:00am (AWST) for the Ordinary Scheme Meeting and by 11:00am (AWST) for the RCPS Scheme Meeting on 29 July 2024.

I encourage you to read this Scheme Booklet, which contains important information in relation to the Schemes. If you have any questions in relation to the Schemes, please contact the Company Secretary of Decmil, Mr Peter Coppini by phone on: +61 8 6240 8126 or by email: [investors@decmil.com.au](mailto:investors@decmil.com.au), Monday to Friday between 8.30am and 5.00pm (AWST) or contact your legal, financial, taxation or other professional adviser.

On behalf of the Decmil Board, I recommend the Schemes to you and would like to take this opportunity once again to thank you for your support of Decmil.

Yours faithfully,

**Andrew Barclay**  
**Non-Executive Chair**  
**DECMIL GROUP LIMITED**

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## 2. LETTER FROM CHAIR OF MACMAHON

Dear Decmil Securityholder

The Macmahon Board and management are pleased to provide you with the opportunity to participate in the Schemes which we believe will see the creation of a stronger, larger and more diversified company.

We believe the Scheme Consideration, and the strategic rationale for the acquisition of Decmil by Macmahon, is compelling to Decmil Securityholders given the certainty that a cash offer provides and the substantial premium to the recent trading price of Decmil Shares and Decmil RCPS prior to announcement of the Schemes.

In particular, Macmahon's balance sheet offers opportunities to Decmil that the Company could not pursue as a standalone business. Macmahon is a leading mining contractor with ~9,000 employees, ~\$1.8 billion of revenue and works for major resource companies across various commodity sectors in Australia and Southeast Asia. We provide diversified contracting services with leading capabilities in surface and underground mining, civil construction and resources engineering.

The acquisition of Decmil is consistent with our strategic focus of achieving continued earnings growth while diversifying earnings into the less capital-intensive civil infrastructure business.

The Decmil Directors unanimously recommend, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that:

- the Ordinary Scheme is in the best interests of Decmil Shareholders, that Decmil Shareholders should vote in favour of the Ordinary Scheme; and
- the RCPS Scheme is in the best interests of Decmil RCPS Holders, that Decmil RCPS Holders should vote in favour of the RCPS Scheme.

Each Decmil Director has also indicated that they intend to vote their Decmil Shares in favour of the Ordinary Scheme and, if applicable, their Decmil RCPS in favour of the RCPS Scheme, in the absence of a Superior Proposal.

This Scheme Booklet provides detailed information about the Schemes, including the reasons for Decmil Securityholders to vote in favour of, or against, the Schemes.

Decmil Securityholders are encouraged to read this Scheme Booklet carefully in order to understand the potential advantages and disadvantages of the Schemes being accepted, which are discussed in Sections 5, 7, 8 and 9 in this Scheme Booklet.

It is our pleasure to invite you to participate in this opportunity and we look forward to your vote in favour of the Schemes at the Scheme Meetings either in person at the meetings or by proxy or representative.

Yours sincerely

**Hamish Tyrwhitt**  
**Non-Executive Chair**  
**MACMAHON HOLDINGS LIMITED**



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### **3. OVERVIEW OF THIS DOCUMENT**

#### **3.1 What is the proposal?**

Macmahon has made a proposal to acquire all of the fully paid ordinary shares and redeemable convertible preference shares on issue in Decmil by way of two separate, inter-conditional, contemporaneous Schemes.

Macmahon and Decmil have agreed to implement the proposed Schemes under a procedure set out in the Corporations Act called a scheme of arrangement. This is a Court-supervised process under which Decmil Shareholders and Decmil RCPS Holders have the opportunity to vote for or against the proposed Schemes and if the Schemes are approved by the Court, then the Schemes will be binding on Decmil and the Decmil Securityholders.

If the Schemes are approved by the Decmil Securityholders and by the Court, subject to satisfaction or waiver of the Scheme Conditions, Macmahon will acquire all of the Decmil Shares (including those Decmil Shares issued on the conversion of the Decmil Performance Rights) and Decmil RCPS on issue in exchange for the Scheme Consideration (equal to an aggregate of \$97,938,626, being \$0.30 per Decmil Share and \$0.343 per Decmil RCPS) to be paid to Decmil Securityholders, and Decmil will become a wholly-owned subsidiary of Macmahon.

Additionally, Macmahon is also required (as a Scheme Condition) to pay the Decmil Warrant Consideration to the Decmil Warrant Holders and the Decmil Option Consideration to the Decmil Optionholders in consideration for their cancellation, which in aggregate amounts to a further \$6,038,537. Certain of these parties are Decmil Directors, who will receive the consideration set out in Section 5.2.

If the Schemes (or either of them) are not approved, Decmil will continue to operate as a stand-alone public entity, listed on the ASX. Refer to Section 10.3 for further details regarding the continued operations of Decmil if the Schemes are not approved.

Further, as is noted in Section 1, if the Scheme Implementation Deed 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 which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.

#### **3.2 What is this document for?**

The Schemes are subject to the approval of Decmil Securityholders. This Scheme Booklet contains information relevant to the decision of Decmil Securityholders as to whether to vote for or against the Schemes.

The Ordinary Scheme Meeting to consider the Ordinary Scheme will be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 at 10:00am (AWST) on 31 July 2024.

The RCPS Scheme Meeting to consider the RCPS Scheme will be held at the later of 11:00am (AWST) on 31 July 2024 and the conclusion of the Ordinary Scheme Meeting.

### 3.3 Why should you vote?

As a Decmil Securityholder, you have a say in whether the Schemes are implemented or not – this is your opportunity to play a role in deciding the future of Decmil in which you have a stake.

### 3.4 Are the Schemes in the best interests of Decmil Securityholders?

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Ordinary Scheme is fair and reasonable and in the best interests of Decmil Shareholders and that the RCPS Scheme is fair and reasonable and in the best interests of Decmil RCPS Holders.

The Decmil Directors unanimously recommend, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that:

- (a) the Ordinary Scheme is in the best interests of Decmil Shareholders; and
- (b) the RCPS Scheme is in the best interests of Decmil RCPS Holders,

Decmil Shareholders should vote in favour of the Ordinary Scheme and Decmil RCPS Holders should vote in favour of the RCPS Scheme.

Before making a decision about the Schemes, each Decmil Securityholder should read this Scheme Booklet in its entirety and if you are in doubt about what action you should take, contact your financial, legal or other professional adviser. For further details regarding the recommendation of the Decmil Directors, please refer to Section 12.4.<sup>3</sup>

### 3.5 What you should do next:

#### Step 1: Read this document in full

You should read and carefully consider the information included in this Scheme Booklet in full to help you make an informed decision as to how to vote in relation to the Schemes. If you have any doubt as to what action you should take, please contact your financial, legal, taxation or other professional adviser immediately.

#### Step 2: Vote on the Schemes

As a Decmil Securityholder, it is your right to vote on whether the Schemes should be approved, and therefore, whether the Schemes should proceed. You should note that the Schemes are subject to the Scheme Conditions. Even if Decmil Securityholders approve the Schemes, it is possible that the Schemes will not be implemented if the other Scheme Conditions have not been satisfied or waived.

You can vote in person at the Ordinary Scheme Meeting scheduled for 10:00am (AWST) on 31 July 2024 and the RCPS Scheme Meeting scheduled for the later of 11:00am (AWST) on 31 July 2024 and the conclusion of the Ordinary Scheme Meeting, or by returning a validly completed proxy voting form by not later than 10:00am (AWST) on 29 July 2024 for the Ordinary Scheme Meeting or 11:00am (AWST) on 29 July 2024 for the RCPS Scheme Meeting. Full details of how to vote are set out in Section 6 of this document.

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<sup>3</sup> Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. Each of the Decmil Directors considers that it is appropriate for them to make a recommendation in relation to the Schemes, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Schemes or their ability to make a recommendation to Decmil Securityholders. Further details of the potential benefits (including the value of them) are outlined in Section 5.2.

### **3.6 For further information**

Decmil Securityholders with any questions in relation to the Schemes, should contact the Company Secretary of Decmil, Mr Peter Coppini, by phone on: +61 8 6240 8126 or by email: [investors@decmil.com.au](mailto:investors@decmil.com.au).

Decmil Securityholders with any questions in relation to their holdings in Decmil, should contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 9:00am and 5:00pm, Monday to Friday, or consult their legal, financial or other professional adviser.

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#### 4. IMPORTANT DATES AND TIMES

Key events and the expected timing in relation to the approval and implementation of the Schemes are set out in the table below.

Event	Date
Latest time and date for lodgement of completed proxy forms for the Scheme Meetings Ordinary Scheme Meeting RCPS Scheme Meeting	10:00am (AWST) on 29 July 2024 11:00am (AWST) on 29 July 2024
Time and date for determining eligibility to attend and vote at the Scheme Meetings Ordinary Scheme Meeting RCPS Scheme Meeting	5:00pm (AWST) on 29 July 2024 5:00pm (AWST) on 29 July 2024
Scheme Meetings to be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 Ordinary Scheme Meeting RCPS Scheme Meeting	10:00am (AWST) on 31 July 2024 The later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting on 31 July 2024
If the Schemes are approved by the Requisite Majority of Decmil Securityholders, the expected timetable for implementing the Schemes is:	
Second Court Date for approval of the Schemes	5 August 2024
Effective Date of the Schemes and last day of trading of Decmil Shares and Decmil RCPS on ASX	6 August 2024
Suspension of trading of Decmil Shares and Decmil RCPS on ASX	Close of trading on 6 August 2024
Record Date for determining entitlements to the Scheme Consideration	5:00pm (AWST) on 8 August 2024
Implementation Date for the issue of Scheme Consideration to Scheme Participants	15 August 2024
Termination of official quotation of Decmil Shares and Decmil RCPS on ASX	Expected to occur on 16 August (or as otherwise determined by ASX)

The above dates and times are indicative only and, amongst other things, are subject to the time at which each Scheme Condition is satisfied and the dates on which all necessary Court and regulatory approvals are obtained. Decmil has the right to vary any or all of these dates and times, subject to the approval of such variation by ASX, the Court and Macmahon, where required.

Any variation to the above dates and times will be announced to ASX (and accordingly, details of any variations will be available on ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will be published on Decmil's website ([www.decmil.com](http://www.decmil.com)).

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## 5. REASONS TO VOTE IN FAVOUR OF OR AGAINST THE SCHEMES

### 5.1 Recommendation of the Decmil Directors<sup>4</sup>

After careful consideration and having regard to multiple factors, the Decmil Directors unanimously recommend that Decmil Shareholders and Decmil RCPS Holders vote in favour of the Ordinary Scheme and the RCPS Scheme respectively, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Schemes are in the best interests of Decmil Securityholders.

### 5.2 Important Information Regarding Decmil Directors' Recommendations

In respect of the unanimous recommendation of the Decmil Directors which is referenced throughout this Scheme Booklet, Decmil Securityholders should have regard to the fact that, if the Schemes are implemented, the Decmil Directors will each receive various personal benefits as further detailed below:

(a) **Andrew Barclay**

Decmil notes that Mr Andrew Barclay (Non-Executive Chair of Decmil) has a Relevant Interest in 241,855 Decmil Shares (being an interest of 0.16%), 177,834 Decmil RCPS, 900,000 unquoted Decmil Options exercisable at \$0.75 on or before 31 October 2024 and 2,000,000 Decmil Performance Rights. If the Schemes are approved by the Decmil Securityholders at the Scheme Meetings, in addition to his entitlement as a Decmil Shareholder and Decmil RCPS Holder, Mr Barclay's 2,000,000 Decmil Performance Rights will vest and shall be converted, which would result in 2,000,000 Decmil Shares being issued to Mr Barclay on the date preceding the Record Date. His Decmil Options will however be cancelled for nil consideration. Accordingly, in such circumstances, Mr Barclay will hold a total of 2,241,855 Decmil Shares (being an interest of 1.27%) and 177,834 Decmil RCPS, all of which would entitle Mr Barclay to receive the relevant Scheme Consideration under the Schemes.

The Decmil Board (in the absence of Mr Andrew Barclay) and, separately, Mr Barclay, have determined that Mr Barclay can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Barclay by virtue of being a Decmil Securityholder if the Schemes are implemented (being \$672,557 for all Decmil Shares held and \$60,997 for all Decmil RCPS held at the Record Date, of which \$600,000 is attributable to the Decmil Shares to be issued on conversion of the Decmil Performance Rights held by Mr Barclay).

Mr Andrew Barclay intends (and has committed) to vote all of his Decmil Shares in favour of the Ordinary Scheme and all of his Decmil RCPS in favour of the RCPS Scheme.

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<sup>4</sup> Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. Each of the Decmil Directors considers that it is appropriate for them to make a recommendation in relation to the Schemes, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Schemes or their ability to make a recommendation to Decmil Securityholders. Further details of the potential benefits (including the value of them) are outlined in Section 5.2.

(b) **Rodney Heale**

Decmil notes that Mr Rodney Heale (Executive Director and Chief Executive Officer of Decmil) has a Relevant Interest in 400,000 Decmil RCPS, 7,727,274 Decmil Performance Rights and 5,810,099 Decmil 2023 Performance Rights. If the Schemes are approved by the Decmil Securityholders at the Scheme Meetings, in addition to his entitlement as a Decmil RCPS Holder, Mr Heale's 7,727,274 Decmil Performance Rights will vest and shall be converted, which would result in 7,727,274 Decmil Shares being issued to Mr Heale on the date preceding the Record Date. Accordingly, in such circumstances, Mr Heale will hold a total of 7,727,274 Decmil Shares (being an interest of 4.38%) and 400,000 Decmil RCPS, all of which would entitle Mr Heale to receive the relevant Scheme Consideration under the Schemes. In addition to this, Mr Heale has agreed for his 5,810,099 Decmil 2023 Performance Rights to be cancelled (subject to the Schemes becoming Effective), for which he will receive 7,378,826 Macmahon Shares, which will be held by the MAH Employee Share Trust before, subject to Mr Heale remaining an employee of the Macmahon Group or being a "good leaver", being transferred to Mr Heale as follows:

- (i) 1,844,706 Macmahon Shares will be transferred to Mr Heale on 1 January 2025; and
- (ii) 5,534,120 Macmahon Shares will be transferred to Mr Heale on 1 July 2025.

The Decmil Board (in the absence of Mr Heale) and, separately, Mr Heale, have determined that Mr Heale can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Heale by virtue of being a Decmil Securityholder if the Schemes are implemented (being \$2,318,182 for all Decmil Shares held and \$137,200 for all Decmil RCPS held at the Record Date, of which \$2,318,182 is attributable to the Decmil Shares to be issued on conversion of the Decmil Performance Rights). In addition, Mr Heale will receive 7,378,826 Macmahon Shares with a value of \$1,742,878.70, based on the implied value of the Macmahon Shares prior to the execution of the Scheme Implementation Deed (being \$0.2362),<sup>5</sup> in consideration for cancellation of his 5,810,099 Decmil 2023 Performance Rights.

Mr Rodney Heale intends (and has committed) to vote in favour of the RCPS Scheme.

(c) **Peter Thomas**

Decmil notes that Mr Peter Thomas (Executive Director and Chief Financial Officer of Decmil) has a Relevant Interest in 1,300,000 Decmil Shares (being an interest of 0.84%), 2,009,670 Decmil RCPS, 900,000 unquoted Decmil Options exercisable at \$0.75 on or before 31 October 2024, 6,000,000 Decmil Performance Rights and 5,117,955 Decmil 2023 Performance Rights. If the Schemes are approved by the Decmil Securityholders at the Scheme Meetings, in addition to his entitlement as a Decmil Shareholder and Decmil RCPS Holder, Mr Thomas' 6,000,000 Decmil Performance Rights (that have not yet vested) will be deemed to

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<sup>5</sup> The implied value of \$0.2362 per Macmahon Share is based on the agreement between Macmahon and Decmil set out in the Scheme Implementation Deed that 1.27 Macmahon Shares will be issued per Decmil 2023 Performance Rights cancelled, having regard to the price at which Macmahon Shares were trading at that time.

have vested and shall be converted, which would result in 6,000,000 Decmil Shares being issued to Mr Thomas on the date preceding the Record Date. His Decmil Options will however be cancelled for nil consideration. Accordingly, in such circumstances, Mr Thomas will hold a total of 7,300,000 Decmil Shares (being an interest of 4.14%) and 2,009,670 Decmil RCPS, all of which would entitle Mr Thomas to receive the relevant Scheme Consideration under the Schemes. In addition to this, Mr Thomas has agreed for his 5,117,955 Decmil 2023 Performance Rights to be cancelled (subject to the Schemes becoming Effective), for which he will receive 6,499,803 Macmahon Shares, which will be held by the MAH Employee Share Trust before, subject to Mr Thomas remaining an employee of the Macmahon Group or being a "good leaver", being transferred to Mr Thomas as follows:

- (i) 1,624,951 Macmahon Shares will be transferred to Mr Thomas on 1 January 2025; and
- (ii) 4,874,852 Macmahon Shares will be transferred to Mr Thomas on 1 July 2025.

The Decmil Board (in the absence of Mr Peter Thomas) and, separately, Mr Thomas, have determined that Mr Thomas can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Thomas by virtue of being a Decmil Securityholder if the Schemes are implemented (being \$2,190,000 for all Decmil Shares held and \$689,317 for all Decmil RCPS held at the Record Date, of which \$1,800,000 is attributable to the Decmil Shares to be issued on conversion of the Decmil Performance Rights). In addition, Mr Thomas will receive 6,499,803 Macmahon Shares with a value of \$1,535,253.47, based on the implied value of the Macmahon Shares prior to the execution of the Scheme Implementation Deed (being \$0.2362),<sup>6</sup> in consideration for cancellation of his 5,117,955 Decmil 2023 Performance Rights.

Mr Peter Thomas intends (and has committed) to vote all of his Decmil Shares in favour of the Ordinary Scheme and all of his Decmil RCPS in favour of the RCPS Scheme.

(d) **David Steele**

Decmil notes that Mr David Steele (Non-Executive Director of Decmil) has a Relevant Interest in 125,000 Decmil Shares (being an interest of 0.08%) and 91,912 Decmil RCPS, all of which would be entitled to participate in the Schemes.

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<sup>6</sup> See footnote 5 above.

The Decmil Board (in the absence of Mr David Steele) and, separately, Mr Steele, have determined that Mr Steele can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Steele by virtue of being a Decmil Securityholder if the Schemes are implemented (being \$37,500 for all Decmil Shares held and \$31,526 for all Decmil RCPS held at the Record Date).

Mr David Steele intends (and has committed) to vote all of his Decmil Shares in favour of the Ordinary Scheme and all of his Decmil RCPS in favour of the RCPS Scheme.

(e) **Vincent Vassallo**

Decmil notes that Mr Vincent Vassallo, (Non-Executive Director of Decmil) has a Relevant Interest in 100,000 Decmil Shares (being an interest of 0.06%) and 50,000 Decmil RCPS, all of which would be entitled to participate in the Schemes.

The Decmil Board (in the absence of Mr Vincent Vassallo) and, separately, Mr Vassallo, have determined that Mr Vassallo can, and should, if he wishes to do so, make a recommendation on the Schemes notwithstanding the nature of the benefits which will be received by Mr Vassallo by virtue of being a Decmil Securityholder if the Schemes are implemented (being \$30,000 for all Decmil Shares held and \$17,150 for all Decmil RCPS held at the Record Date).

Mr Vincent Vassallo intends (and has committed) to vote all of his Decmil Shares in favour of the Ordinary Scheme and all of his Decmil RCPS in favour of the RCPS Scheme.

### 5.3 **Reasons to vote in favour of the Schemes**

In reaching their recommendation, the Decmil Directors had regard to a range of factors including:

- (a) The Scheme Consideration represents a significant premium to recent historical trading prices of Decmil Shares and Decmil RCPS prior to the announcement of the proposal from Macmahon.
- (b) The all-cash Ordinary Scheme Consideration of \$0.30 per Decmil Share provides you with an opportunity to realise certainty of value for your Decmil Shares now (subject to the Scheme Conditions being satisfied or waived and the Ordinary Scheme being implemented).
- (c) The all cash RCPS Scheme Consideration of \$0.343 per Decmil RCPS provides you with an opportunity to realise certainty of value for your Decmil RCPS now (subject to the Scheme Conditions being satisfied or waived and the RCPS Scheme being implemented).
- (d) You will no longer be subject to ongoing risks and uncertainties involved in Decmil's operations and future developments.
- (e) Decmil Shares and Decmil RCPS might trade at a lower price if the Schemes are not implemented and no Superior Proposal emerges, in the absence of favourable market conditions.



- (f) The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders.
- (g) No Superior Proposal has emerged as at the date of this Scheme Booklet.
- (h) You will not incur any brokerage charges on the transfer of your Decmil Shares or Decmil RCPS if the Schemes proceed.

**These reasons are discussed in more detail in Section 7.**

#### **5.4 Reasons why you may choose to vote against the Schemes**

- (a) You may not agree with the unanimous recommendation of the Decmil Directors and the Independent Expert's conclusion.
- (b) You may prefer to participate in the future financial performance of the Decmil Group business.
- (c) You may believe it is in your best interests to maintain your current investment and risk profile.
- (d) You may believe that there is potential for a Superior Proposal to emerge.
- (e) The tax consequences of the Schemes may not suit your current financial position or tax circumstances.

**These reasons are discussed in more detail in Section 8.**

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## 6. MEETING DETAILS AND HOW TO VOTE

### 6.1 Voting on the Schemes

For the Ordinary Scheme to be implemented, it is necessary that the Requisite Majority of Decmil Shareholders vote in favour of the resolution to approve the Ordinary Scheme at the Ordinary Scheme Meeting.

For the RCPS Scheme to be implemented, it is necessary that the Requisite Majority of Decmil RCPS Holders vote in favour of the resolution to approve the RCPS Scheme at the RCPS Scheme Meeting.

Decmil Securityholders may vote at the Scheme Meetings either in person, by proxy, attorney or, in the case of a corporation, by corporate representative.

Details on how to vote are set out briefly in the table below. Further details are set out in the Notice of Ordinary Scheme Meeting (attached at Annexure F) and the Notice of RCPS Scheme Meeting (attached at Annexure G).

Means	Voting instructions
<b>In Person</b>	<p>If you wish to vote in person, you must attend the relevant Scheme Meeting.</p> <p>All persons entitled to vote must register their attendance by disclosing their name at the point of entry to the relevant Scheme Meeting.</p>
<b>By Proxy</b>	<p>To appoint a proxy to vote on your behalf in respect of the Schemes, you can complete the enclosed personalised Proxy Form in accordance with the instructions and return it to Computershare in the envelope enclosed. Alternatively, you can lodge your proxy online in accordance with the instructions on the Proxy Form.</p> <p>If your proxy is signed by an attorney, please also enclose the authority under which the proxy is signed (or a certified copy of the authority).</p> <p>Proxy Forms and powers of attorney must be received by Computershare by no later than 10:00am (AWST) for the Ordinary Scheme Meeting and 11:00am (AWST) for the RCPS Scheme Meeting on 29 July 2024 (or if the Scheme Meetings are adjourned, at least 48 hours before the resumption of the relevant Scheme Meeting). Proxy Forms and powers of attorney received after this time will not be valid. Accordingly, you should ensure that it is posted, delivered or lodged online in sufficient time for it to be received by Computershare by that time.</p> <p>If you are entitled to cast two or more votes, you may appoint two proxies. You must specify the names and the proportion or the number of votes that each proxy is appointed to exercise. If numbers or proportions of votes are not specified, each proxy may exercise half of the votes you are entitled to cast. Fractions of votes will be disregarded.</p>

Means	Voting instructions
	<p>If you hold Decmil Securities jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the Proxy Form.</p> <p>Appointing a proxy will not preclude you from attending the Scheme Meetings in person and voting at the Scheme Meetings instead of your proxy. In this scenario the appointment of your proxy is not revoked but your proxy must not speak or vote at the meeting while you are so present.</p>
<p><b>By Power of Attorney</b></p>	<p>Your vote may be cast by a duly authorised attorney. An attorney need not be a Decmil Securityholder.</p> <p>If you intend to appoint an attorney to attend a Scheme Meeting and vote on your behalf, you may do so by providing a power of attorney duly executed by you in the presence of at least one witness, and specifying your name, the company (that is, Decmil Group Limited), and the attorney, and also specify the meeting at which the appointment may be used. The appointment may be a standing one.</p> <p>A certified copy of the power of attorney must be received by Computershare by no later than 10:00am (AWST) in respect of the Ordinary Scheme Meeting and 11:00am (WST) in respect of the RCPS Scheme Meeting on 29 July 2024.</p> <p>A certified copy of the power of attorney must attached to the proxy form and delivered to the registry in accordance with the instructions set out the proxy form.</p> <p>Your appointment of an attorney does not preclude you from attending in person and voting at the relevant Scheme Meeting. The appointment of your attorney is not revoked merely by your attendance and taking part in the relevant Scheme Meeting, but if you vote on a resolution, the attorney is not entitled to vote, and must not vote, as your attorney on that resolution.</p>
<p><b>By Corporate Representative</b></p>	<p>A Decmil Securityholder that is a body corporate may appoint an individual to act as its representative at the relevant Scheme Meeting.</p> <p>To vote by corporate representative at a Scheme Meeting, a corporate Decmil Securityholder should obtain an "Appointment of Corporate Representative" form from Computershare and complete that form in accordance with its instructions.</p> <p>Corporate representative appointment forms should be provided to Computershare by no later than 10:00am (AWST) in respect of the Ordinary Scheme Meeting and 11:00am (AWST) in respect of the RCPS Scheme Meeting on 29 July 2024, or alternatively brought to the relevant Scheme Meeting.</p>
<p><b>Scheme Information</b></p>	<p>For further information on the Schemes, you can contact the Company Secretary of Decmil, Mr Peter Coppini by</p>

Means	Voting instructions
	phone on: +61 8 6240 8126 or via email: <a href="mailto:investors@decmil.com.au">investors@decmil.com.au</a> .

## 6.2 Address for return of voting forms

Decmil Securityholders should mail or fax their proxy forms, power of attorney forms and corporate representative forms to Computershare (Decmil's share registry) at the following address or fax number:

<b>By mail</b>	Computershare Investor Services Pty Limited GPO Box 1282 Melbourne VIC 3001 Australia
<b>Fax</b>	1300 850 505 within Australia or +61 3 9415 4000 outside Australia
<b>Online</b>	<a href="http://www.investorvote.com.au">www.investorvote.com.au</a>

Proxy forms, power of attorney forms and corporate representative forms must be received by 10:00am (AWST) in respect of the Ordinary Scheme Meeting and 11:00am (AWST) in respect of the RCPS Scheme Meeting, on 29 July 2024.

## 6.3 Macmahon excluded from voting

Macmahon is excluded from voting on the Schemes by reason of the fact that it is the proponent of the Schemes. As at the date of the Scheme Booklet, neither Macmahon nor any of its Associates hold any Decmil Shares or Decmil RCPS.

## 6.4 Questions on this Scheme Booklet

Decmil Securityholders with any questions in relation to the Schemes, should contact the Company Secretary of Decmil, Mr Peter Coppini by phone on: +61 8 6240 8126 or by email: [investors@decmil.com.au](mailto:investors@decmil.com.au).

Decmil Securityholders with any questions in relation to their holdings in Decmil, should contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 9.00am and 5.00pm, Monday to Friday, or consult their legal, financial or other professional adviser.

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## 7. KEY REASONS TO VOTE IN FAVOUR OF THE SCHEMES

This Section summarises the key reasons why the Decmil Directors recommend that Decmil Securityholders vote in favour of the Schemes.

This Section should be read in conjunction with Sections 8 and 15, which describe the disadvantages and risks associated with the Schemes; implications if the Schemes do not proceed; and risk factors associated with an investment in Decmil.

### 7.1 The Decmil Directors unanimously recommend that Decmil Securityholders vote in favour of the Schemes in the absence of a Superior Proposal<sup>7</sup>

Before agreeing to implement the Schemes in accordance with the Scheme Implementation Deed between Macmahon and Decmil, the Decmil Directors considered:

- (a) an assessment of strategic options for Decmil in regard to various corporate, asset and financial options available to enhance value for Decmil Securityholders; and
- (b) the potential for alternative Superior Proposals to arise after the announcement of the Transaction between Decmil and Macmahon. No Superior Proposal has emerged as at the date of this Scheme Booklet.

The Decmil Directors consider that the reasons to vote in favour of the Schemes outweigh the potential disadvantages and reasons to vote against the Schemes. Therefore, the Decmil Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Schemes are in the best interests of Decmil Securityholders, Decmil Securityholders vote in favour of the Schemes.

As per Decmil's announcement dated 16 April 2024, all Decmil Directors intend (and have committed) to vote their respective Decmil Shares and Decmil RCPS (as applicable) in favour of the Schemes, in the absence of a Superior Proposal, and subject to the Independent Expert concluding (and continuing to conclude) that the Schemes are in the best interests of Decmil Securityholders.

The decision of the Decmil Directors to recommend the Transaction follows an assessment of strategic options for Decmil in regard to various corporate, asset and financial options available to Decmil to enhance value for Decmil Securityholders. The Decmil Directors consider that the Schemes will deliver greater benefits to Decmil Securityholders than any other alternative currently available, including Decmil continuing as a standalone entity.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders.

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<sup>7</sup> Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. Each of the Decmil Directors considers that it is appropriate for them to make a recommendation in relation to the Schemes, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Schemes or their ability to make a recommendation to Decmil Securityholders. Further details of the potential benefits (including the value of them) are outlined in Section 5.2.

**7.2 The Scheme will provide Decmil Securityholders with the opportunity to realise their investment in Decmil for cash consideration at a substantial premium to the trading prices for Decmil Shares and Decmil RCPS prior to the Announcement Date**

The Ordinary Scheme Consideration of \$0.30 per Decmil Share represents:

- (c) a 76.5% premium over the closing Decmil Share price on 15 April 2024 of \$0.17; and
- (d) an 81.8% premium to the 30-day VWAP of Decmil Shares to 15 April 2024 of \$0.1650; and

the RCPS Scheme Consideration of \$0.343 per Decmil RCPS represents:

- (c) an 80.5% premium over the closing Decmil RCPS price on 15 April 2024 of \$0.19; and
- (d) an 81.2% premium to the 30-day VWAP of Decmil RCPS to 15 April 2024 of \$0.189.

**7.3 The Scheme Consideration provides Scheme Participants with certainty of value in a certain timeframe and will avoid any ongoing risks and uncertainties involved in Decmil's operations and future developments**

The consideration payable by Macmahon under the Schemes is 100% cash consideration. This provides certainty of value for Scheme Participants and the opportunity to realise their investment in Decmil in full for the Scheme Consideration (subject to the Scheme Conditions being satisfied or waived and the Schemes being implemented).

Specifically, if all the Scheme Conditions are satisfied or waived and the Scheme is implemented, you will receive \$0.30 per Decmil Share held and \$0.343 per Decmil RCPS held on the Record Date when the Schemes are implemented (implementation is expected to be on or about 15 August 2024).

The certainty of this all-cash payment should be compared with the risks and uncertainties of remaining a Decmil Securityholder, which include, the risks associated with an investment in Decmil's business. In particular, whilst Decmil has made progress in its business strategy, it is important for Decmil Securityholders to recognise that this strategy has certain risks associated with it, including:

- (a) the importance of effective management of contracts and the risk of dispute;
- (b) external factors may impede Decmil's operational activities. Such external factors include, but are not limited to adverse weather conditions, mechanical difficulties, shortages or increases in the costs of consumables, spare parts, plant and equipment, external services failure, industrial disputes and action, IT system failures, mechanical failures, and compliance with governmental requirements;
- (a) a serious safety incident or fatality may impact Decmil's finances, reputation and social licence to operate. This can affect Decmil by increasing its costs for carrying out work, increasing the time required to complete packages of work and impairing Decmil's ability to win new work;

- (c) labour costs and availability; Decmil's ability to remain productive and competitive and to affect its planned growth initiatives depends on its ability to attract and retain skilled labour
- (d) Decmil's revenue is dependent on winning new contracts with acceptable terms and conditions. Consequently, Decmil is subject to the risk of losing new awards to competitors which will adversely impact its business, results of operations and financial condition;
- (e) Decmil's Half Year Report for the period ended 31 December 2023 (**Financial Report**) includes a note on the financial condition of the Decmil Group and the possible existence of a material uncertainty about the Decmil Group's ability to continue as a going concern (**Going Concern Note**). For the half-year ended 31 December 2023, the Decmil Group incurred a loss after tax of \$1.8 million and had net operating cash outflows from operating activities of \$9.4 million. As at 31 December 2023, the Decmil Group has a net current liability of \$8.0 million.

The Going Concern Note stated that Decmil's Directors believe that it was reasonably foreseeable that the Decmil Group will continue as a going concern and that it is appropriate to adopt the going concern basis after consideration of the following factors:

- (i) the ability of the Directors and management to continue to manage its cash flows in line with its existing cash reserves and banking facilities to successfully execute its contracted projects in hand and win new work to operate within Decmil's internal cash flow forecast;
  - (ii) the Decmil Group could raise additional funds by accessing capital markets. This is evidenced by the issue of redeemable convertible preference shares during June and July 2023, which raised \$26.3 million;
  - (iii) the Decmil Group having access to other funding opportunities, such as debt and other hybrid funding instruments. As at 31 December 2023, there are undrawn facilities of \$29.4 million from several funders; and
  - (iv) the Decmil Group could sell off Homeground Village at Gladstone, to generate additional cashflows for the business;
- (f) the risk that Decmil may not be successful in procuring the funding required to capitalise on its business initiatives; and
  - (g) the continuation of the Decmil Group's ability to comply with the laws, regulations and government policy in each of the jurisdictions in which a Decmil Group member operates, including responding to ongoing changes.

A more comprehensive explanation of the key risks can be found in Section 15. The Schemes remove these risks and uncertainties for Decmil Securityholders and allows Decmil Securityholders to exit their investment in Decmil at a price that Decmil Directors support as a part of the Schemes and that the Independent Expert has deemed, in the absence of a Superior Proposal, fair and reasonable for, and in the best interests of, Decmil Securityholders.

#### **7.4 The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders**

Nexia Perth Corporate Finance Pty Ltd, as Independent Expert, has considered the terms of the Schemes and has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders.

The Independent Expert considers the Ordinary Scheme to be fair because the Ordinary Scheme Consideration is within the range of the value of each Decmil Share that the Independent Expert has assessed (see section 3.1 of the Independent Expert's Report).

The Independent Expert considers the RCPS Scheme to be fair because the RCPS Scheme Consideration is within the range of the value of each Decmil RCPS that the Independent Expert has assessed (see section 3.2 of the Independent Expert's Report).

The Schemes are considered reasonable by the Independent Expert because the position of Decmil Securityholders if the Schemes are approved is more advantageous than the position if the Schemes are not approved.

The advantages and disadvantages of the Schemes (as identified by the Independent Expert) are summarised in section 3.3 of the Independent Expert's Report and discussed in greater detail in sections 11.2 and 11.3 of the Independent Expert's Report.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Decmil Directors recommend that Decmil Securityholders read the Independent Expert's Report in full.

#### **7.5 No Superior Proposal has emerged as at the Date of this Scheme Booklet**

In deciding to recommend the Schemes, the Decmil Directors were cognisant of other potential alternatives to the Schemes which remain open for Decmil to consider if the Schemes do not proceed. However, in exploring alternatives, no Superior Proposals have emerged. It therefore remains the view of the Decmil Directors that it is unlikely that a Superior Proposal will transpire. However, any offer capable of acceptance, that is or may reasonably be expected to become a Superior Proposal, will be considered and put to Decmil Securityholders should it emerge.

#### **7.6 Key Decmil Securityholder support**

##### **(a) Thorney Investment Group**

Each of the entities comprising the Thorney Investment Group, which control an aggregate of 31,019,771 Decmil Shares (representing approximately 19.94% of all Decmil Shares on issue as of the Announcement Date) and 50,102,095 Decmil RCPS (representing approximately 38.15% of all Decmil RCPS on issue as of the Announcement Date) have provided a signed voting intention statement to Decmil (**Thorney Voting Intention Statement**) indicating that the Thorney Investment Group intends to vote all Decmil Securities held at the time of the Scheme Meetings in favour of the Schemes. As at the Last Practicable Date, the Thorney Investment Group's securityholdings had not changed since the Thorney Voting Intention Statement was given. The Thorney Voting Intention Statement is subject to no Superior Proposal



being publicly announced before the commencement of the Scheme Meetings and the Independent Expert continuing to conclude as at the date of the Scheme Meetings that the Schemes are in the best interests of Decmil Securityholders.

(b) **Horley Pty Ltd**

Horley Pty Ltd (**Horley**), which controls 10,500,000 Decmil Shares (representing approximately 6.75% of all Decmil Shares on issue as of the Announcement Date) has provided a signed voting intention statement to Decmil (**Horley Voting Intention Statement**) indicating that Horley intends to vote all Decmil Shares held at the time of the Ordinary Scheme Meeting in favour of the Ordinary Scheme. As at the Last Practicable Date, Horley's securityholdings had not changed since the Horley Voting Intention Statement was given. The Horley Voting Intention Statement is subject to no Superior Proposal being publicly announced before the commencement of the Scheme Meetings and the Independent Expert continuing to conclude as at the date of the Scheme Meetings that the Schemes are in the best interests of Decmil Securityholders.

**7.7 You will not incur any brokerage charges on the transfer of your Decmil Securities if the Scheme proceeds**

You will not incur any brokerage charges on the transfer of your Decmil Securities to Macmahon under the Schemes. This is in contrast to selling your Decmil Securities on the ASX where you will generally incur brokerage charges (and potentially GST on those charges).

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## **8. REASONS WHY YOU MAY CHOOSE TO VOTE AGAINST THE SCHEMES**

This Section summarises the potential disadvantages and risks to Decmil Securityholders if the Schemes become Effective and the Transaction occurs.

The Decmil Directors consider that these disadvantages and risks are outweighed by the advantages of the Schemes (as set out in Section 7), and that the Schemes are in the best interests of Decmil Securityholders.

Further details of the potential risks associated with Decmil and the Schemes are set out in Section 15.

### **8.1 You may disagree with the recommendation by the Independent Expert and the Decmil Directors**

Notwithstanding the unanimous recommendation by the Decmil Directors, and the conclusion reached by the Independent Expert that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders, you may believe that the Schemes are not in your best interests or believe that the Scheme Consideration is inadequate.

### **8.2 You may prefer to participate in the future financial performance of the Decmil business with its attendant risks**

If the Schemes are implemented, you will no longer be a Decmil Securityholder and will forgo any benefits that may result from being a Decmil Securityholder. This will mean that you will not participate in the future performance of Decmil or retain any exposure to Decmil's business or assets. However, there is no guarantee as to Decmil's future performance, as is the case with all listed equities. An overview of the Decmil business as well as historical financial information about Decmil and current trading commentary and outlook of Decmil are set out in Section 13.

### **8.3 You may believe it is in your best interests to maintain your current investment and risk profile**

You may prefer to keep your Decmil Securities to preserve your investment in Decmil because you are seeking an investment in a publicly listed company with the specific characteristics of Decmil, including it being an Australian based multi-disciplinary project services company, its strategy, and potential growth profile.

In particular, you may consider that, despite the risk factors relevant to Decmil's potential future operations (including those set out in Section 15), Decmil may be able to return greater value from its assets by remaining a standalone listed entity or by seeking alternative corporate transactions in the future. You may also consider that it would be difficult to identify or invest in alternative investments that have a similar investment profile to that of Decmil or may incur transaction costs in undertaking any new investment.

The operations and financial performance of Decmil and the disposal of Decmil Securities in exchange for the Scheme Consideration is subject to various risks that are summarised in Section 15 and that may be beyond the control of Decmil.

### **8.4 You may consider that there is the potential for a Superior Proposal to emerge for Decmil in the foreseeable future**

You may believe that there is a possibility that a Superior Proposal could emerge in the foreseeable future. The implementation of the Transaction would mean that Decmil Securityholders would not be able to obtain the benefit of any such

Superior Proposal. However, since the Transaction was announced on 16 April 2024 and up to the date of this Scheme Booklet, no Superior Proposal has been received, nor are the Decmil Directors aware of any such intention of a party to make such a proposal.

#### **8.5 The tax consequences of the Schemes may not suit your current financial position**

If the Schemes are implemented, you may incur a tax liability on the transfer of your Decmil Securities. Please refer to Section 16 for further information on the tax implications.

All Decmil Securityholders are strongly advised to seek independent professional tax advice about their particular circumstances including, for foreign tax resident Decmil Securityholders, the foreign tax consequences.

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## **9. OTHER RELEVANT CONSIDERATIONS**

### **9.1 The Schemes may be implemented even if you do not vote**

Even if you do not vote, or if you vote against the Schemes, the Schemes may still be implemented if they are approved by the Requisite Majorities of Decmil Securityholders and by the Court. If this occurs and you are a Decmil Securityholder on the Record Date, your Decmil Shares and Decmil RCPS will be transferred to Macmahon and you will receive the Scheme Consideration even if you did not vote on, or if you voted against, the Schemes.

### **9.2 Costs of the Schemes**

Decmil has already incurred, and will incur, significant costs in respect of the proposal to implement the Schemes. These costs include negotiation with Macmahon, retention of advisers, provision of information to Macmahon, facilitating Macmahon's access to due diligence, engagement of the Independent Expert and the preparation of this Scheme Booklet. Decmil expects approximately \$1,416,000 will be paid irrespective of whether the Schemes become Effective (and are implemented). Further details of the fees and expenses that may be incurred by Decmil during the Schemes are set out in Section 19.17(d).

Under the Scheme Implementation Deed, the Reimbursement Fee of \$979,386 (representing approximately 1% of the aggregate Scheme Consideration payable) may become payable by either party, in certain circumstances. Further details of the circumstances in which the Reimbursement Fee may become payable to each party are in Section 18.7.

Further, as is noted in Section 1, if the Scheme Implementation Deed 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 which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.

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## **10. IMPLICATIONS IF THE SCHEMES ARE NOT IMPLEMENTED**

This Section outlines potential implications for Decmil and Decmil Securityholders if the Schemes are not implemented.

Should the Schemes not be implemented, Decmil Securityholders will not receive the benefits of any or all of the reasons to vote in favour of the Schemes as outlined in Section 7.

### **10.1 You will not receive the Scheme Consideration**

Each Decmil Securityholder will retain their Decmil Securities and will not receive any Scheme Consideration.

### **10.2 Future capital requirements to fund development of Decmil's business**

If the Schemes are not implemented, then in order for Decmil to develop or enhance its business, it would need to raise additional funds, which may include an equity issue which may be dilutive. There can be no assurance that such funding will be available on satisfactory terms, or at all.

### **10.3 Decmil will remain listed on ASX and continue to operate as a standalone entity**

If the Schemes are not implemented, Decmil will remain listed on ASX and will continue to run its business in the same manner in which it is currently operating. Decmil Securityholders will therefore continue to be exposed to the risks and benefits of owning Decmil Securities, including many of the risks set out in Section 15.

### **10.4 Transaction costs will be incurred**

If the Schemes are not implemented, Decmil's transaction costs of approximately \$1,416,000 (exclusive of GST) will be borne by Decmil.

Depending on the reasons why the Schemes do not proceed, Decmil or Macmahon may be liable to pay the Reimbursement Fee of \$979,386 to the other party. The Reimbursement Fee is not payable if the Schemes do not proceed merely because Decmil Securityholders do not vote in favour of the Schemes in sufficient numbers to meet the legal tests. Further information in relation to the Reimbursement Fee is set out in Section 18.7.

Further, as is noted in Section 1, if the Scheme Implementation Deed is terminated, the Bond Facility Agreement will terminate 60 days after termination of the Scheme Implementation Deed. Decmil would then be required to pay the outstanding face value of any bonds issued under the Bond Facility Agreement which remained outstanding (and which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.

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## 11. FREQUENTLY ASKED QUESTIONS

This Section provides summary answers to some basic questions that Decmil Securityholders may have in relation to the Schemes. This Section should be read in conjunction with the whole Scheme Booklet.

<b>What is a scheme of arrangement and why has this Scheme Booklet been made available to you?</b>	<p>A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another.</p> <p>This Scheme Booklet has been made available to assist you in deciding how to vote (should you wish to) on the proposed Ordinary Scheme and RCPS Scheme.</p>
<b>What is the Ordinary Scheme and RCPS Scheme?</b>	<p>The Ordinary Scheme is a scheme of arrangement pursuant to which Decmil is asking the Decmil Shareholders to consider and vote on a proposal that Macmahon will acquire all of the Decmil Shares held by Decmil Shareholders as at the Record Date in exchange for the Ordinary Scheme Consideration.</p> <p>The RCPS Scheme is a scheme of arrangement pursuant to which Decmil is asking the Decmil RCPS Holders to consider and vote on a proposal that Macmahon will acquire all of the Decmil RCPS held by Decmil RCPS Holders as at the Record Date in exchange for the RCPS Scheme Consideration.</p> <p>The Schemes will effect the Transaction.</p> <p>If the Schemes are approved and implemented, Scheme Participants will receive the Scheme Consideration.</p> <p>Refer to Sections 12 and 17 for further information.</p>
<b>What is the effect of the Schemes?</b>	<p>If the Schemes become Effective:</p> <ul style="list-style-type: none"><li>(a) all Decmil Shares and Decmil RCPS will be transferred to Macmahon;</li><li>(b) all existing Decmil Options will be cancelled in consideration for the Decmil Option Consideration, in accordance with the terms of the Decmil Option Deeds entered into by Decmil with the relevant Decmil Optionholders;</li><li>(c) all existing Decmil Warrants will be cancelled in consideration for the Decmil Warrant Consideration, in accordance with the terms of the Decmil Warrant Deeds entered into by Decmil with the relevant Decmil Warrant Holders;</li><li>(d) all existing Decmil Performance Rights will automatically vest in accordance with the terms of the Decmil Employee Securities Incentive Plan following the Decmil Securityholders approving the Schemes and will convert into Decmil Shares prior to the Record Date which will then be included in the Ordinary Scheme;</li><li>(e) all existing Decmil 2023 Performance Rights will be cancelled in consideration for the Decmil 2023 Performance Rights Consideration, in accordance with the terms of the Decmil 2023 Performance Rights Deeds entered into by</li></ul>

	<p>Decmil with the relevant Decmil 2023 Performance Rights Holders;</p> <p>(f) Decmil will become a wholly-owned subsidiary of Macmahon and will be delisted from the ASX; and</p> <p>(g) all Scheme Participants will receive the Scheme Consideration irrespective of whether they voted for or against the Schemes or whether they were eligible to vote on the Schemes.</p> <p>Refer to Section 12 for further information.</p>
<p><b>What is the Scheme Consideration?</b></p>	<p>If the Schemes are implemented, Scheme Participants will receive a total cash amount of \$97,938,626 being the aggregate of:</p> <p>(a) \$0.30 per Decmil Share on issue at the Record Date (including those Decmil Shares issued on the conversion of the Decmil Performance Rights); and</p> <p>(b) \$0.343 per Decmil RCPS on issue at the Record Date.</p>
<p><b>What does the Independent Expert say about the Schemes?</b></p>	<p>The Independent Expert has considered that, in the absence of a Superior Proposal:</p> <p>(a) the Ordinary Scheme is fair and reasonable and in the best interests of Decmil Shareholders; and</p> <p>(b) the RCPS Scheme is fair and reasonable and in the best interests of Decmil RCPS Holders.</p> <p>The Independent Expert's Report set out in Annexure A to this Scheme Booklet, and you are encouraged to read it in full.</p>
<p><b>What do the Decmil Directors recommend?</b></p>	<p>The Decmil Directors unanimously recommend that, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Schemes are in the best interests of Decmil Shareholders and Decmil RCPS Holders, Decmil Shareholders (other than Excluded Shareholders) vote in favour of the Ordinary Scheme and that Decmil RCPS Holders (other than Excluded RCPS Holders) vote in favour of the RCPS Scheme. Each Decmil Director who holds, or controls Decmil Shares and/or Decmil RCPS intends (and has committed) to vote in favour of the Schemes, in the absence of a Superior Proposal and subject to the Independent Expert concluding (and continuing to conclude) that the Schemes are in the best interests of Decmil Shareholders and Decmil RCPS Holders.</p> <p>Refer to Sections 7 to 10 for further information on the reasons for the Decmil Directors' recommendation.</p>
<p><b>Who is entitled to participate in the Ordinary Scheme?</b></p>	<p>Decmil Shareholders, other than any Excluded Shareholders, on the Decmil Share Register as at 5.00pm (AWST) on the Record Date are entitled to participate in the Ordinary Scheme. If the Ordinary Scheme is approved and implemented, Decmil Shareholders will receive the Ordinary Scheme Consideration.</p>

	<p>Macmahon is excluded from voting on the Ordinary Scheme by reason of the fact that it is the proponent of the Schemes. As at the date of the Scheme Booklet, neither Macmahon nor any of its Associates hold any Decmil Shares.</p> <p>Refer to Section 12.2 for further information.</p>
<p><b>Who is entitled to participate in the RCPS Scheme?</b></p>	<p>Decmil RCPS Holders, other than any Excluded RCPS Holders, on the Decmil RCPS Register as at 5.00pm (AWST) on the Record Date are entitled to participate in the RCPS Scheme. If the RCPS Scheme is approved and implemented, Decmil RCPS Holders will receive the RCPS Scheme Consideration.</p> <p>Macmahon is excluded from voting on the RCPS Scheme by reason of the fact that it is the proponent of the Schemes. As at the date of the Scheme Booklet, neither Macmahon nor any of its Associates hold any Decmil RCPS.</p> <p>Refer to Section 12.2 for further information.</p>
<p><b>What happens to the Decmil Options?</b></p>	<p>Decmil has a total of 4,593,238 Decmil Options on issue, of which 1,800,000 are held by Decmil Directors. 2,793,238 existing Decmil Options will be cancelled in consideration for the Decmil Option Consideration, in accordance with the terms of the Decmil Option Deeds. The existing Decmil Options that are held by Decmil Directors will be cancelled for nil consideration.</p> <p>Refer to Section 12.6 for further information</p>
<p><b>What happens to the Decmil Warrants?</b></p>	<p>Decmil has four Decmil Warrants on issue (exercisable into an aggregate of 50,769,231 Decmil Shares). All existing Decmil Warrants will be cancelled in consideration for the Decmil Warrant Consideration, in accordance with the terms of the Decmil Warrant Deeds.</p> <p>Refer to Section 12.7 for further information</p>
<p><b>What happens to the Decmil 2023 Performance Rights?</b></p>	<p>Decmil has a total of 17,706,174 Decmil 2023 Performance Rights on issue, of which 10,928,054 are held by Decmil Directors. All existing Decmil 2023 Performance Rights will be cancelled in consideration for the Decmil 2023 Performance Rights Consideration, in accordance with the terms of the Decmil 2023 Performance Rights Deeds.</p> <p>Refer to Section 12.8 for further information</p>



<p><b>What happens to the Decmil Performance Rights?</b></p>	<p>Decmil has a total of 20,707,457 Decmil Performance Rights on issue, of which 15,727,274 are held by Decmil Directors. All existing Decmil Performance Rights will automatically vest in accordance with the terms of the Decmil Employee Securities Incentive Plan following the Decmil Securityholders approving the Schemes and be converted by the Decmil Performance Rights Holders to result in the issue of Decmil Shares before the Record Date, so that the Decmil Performance Rights Holders can participate as Decmil Shareholders in the Ordinary Scheme.</p> <p>Refer to Section 12.9 for further information.</p>
<p><b>Who is Macmahon?</b></p>	<p>Macmahon Holdings Limited (ASX:MAH) is an ASX listed company that provides diversified contracting services with leading capabilities in surface and underground mining, mining support and civil construction.</p> <p>Macmahon provides end-to-end mining services that encompass mine development and materials delivery, engineering, civil construction, on-site surface and underground mining services, rehabilitation and site remediation.</p> <p>Macmahon is headquartered in Perth, Western Australia, and works for major resource companies across various commodity sectors in Australia and Southeast Asia.</p> <p>Refer to Section 14 for further information.</p>
<p><b>Why has the Transaction been structured as a scheme of arrangement?</b></p>	<p>Effecting the Transaction via the Schemes is believed to be the most efficient structure to implement the Transaction and also reflects the co-operative nature of the Transaction.</p> <p>Refer to Sections 7 and 8 for the key reasons to vote in favour of the Schemes and the reasons why you may choose to vote against the Schemes respectively.</p>
<p><b>What is the timetable of the Transaction?</b></p>	<p>The Ordinary Scheme Meeting is currently scheduled to be held at 10:00am (AWST) on 31 July 2024 and the RCPS Scheme Meeting is currently scheduled to be held at the later of 11:00am (AWST) on 31 July 2024 and the conclusion of the Ordinary Scheme Meeting on the same date. If Decmil Securityholders approve the Schemes and Court approval is obtained, the Transaction is expected to be implemented on 15 August 2024. This is based on the current scheduled timetable of key dates as set out in Section 4, which is subject to possible change.</p> <p>Refer to the important dates and times in Section 4 for further information.</p>
<p><b>Under what scenarios can Decmil or Macmahon terminate the Transaction?</b></p>	<p>The Scheme Implementation Deed provides for situations where either Decmil or Macmahon have the right to terminate it and the Transaction.</p> <p>These include the Scheme Conditions not being satisfied by the relevant time, the Decmil Directors changing their recommendation in respect of the Schemes or a breach of the terms of the Scheme Implementation Deed.</p>

	Refer to Section 18.8 for further information.
<b>What happens if the Schemes are not approved?</b>	<p>As the Schemes are inter-conditional, if either of the Schemes are not approved, the Transaction will not proceed and:</p> <ul style="list-style-type: none"> <li>(a) Decmil will continue to operate as a stand-alone entity, listed on ASX;</li> <li>(b) you will not receive the Scheme Consideration;</li> <li>(c) your Decmil Shares and Decmil RCPS will not be transferred to Macmahon;</li> <li>(d) you will continue to be exposed to the risks of holding Decmil Shares and Decmil RCPS that are set out in Section 15;</li> <li>(e) The price of Decmil Shares and/or Decmil RCPS may rise or fall;</li> <li>(f) Decmil will have incurred significant transaction costs (including legal and accounting fees and those paid to the Independent Expert) and utilised significant management time for no outcome; and</li> <li>(g) as is noted in Section 1, the Bond Facility Agreement will terminate 60 days after the termination of the Scheme Implementation Deed. Decmil would be required to pay the outstanding face value of any bonds issued under the Bond Facility Agreement which remained outstanding (and which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.</li> </ul> <p>Refer to Section 10 for further information.</p>
<b>When and where will the Scheme Meetings be held?</b>	<p>The Ordinary Scheme Meeting will be held Level 14, 221 St Georges Terrace, Perth, WA, 6000 at 10:00am (AWST) on 31 July 2024.</p> <p>The RCPS Scheme Meeting will be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 at the later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting on 31 July 2024.</p> <p>Refer to the Notice of Ordinary Scheme Meeting set out in Annexure F and Notice of RCPS Scheme Meeting set out in Annexure G of the Scheme Booklet for further information.</p>
<b>Who is entitled to vote on the Ordinary Scheme?</b>	Decmil Shareholders, other than the Excluded Shareholders, who are recorded as the holders of Decmil Shares on the Decmil Share Register as at 5:00pm (AWST) on 8 August 2024, are entitled to vote at the Ordinary Scheme Meeting.

	<p>Refer to the meeting details and how to vote information in Section 6 for further information.</p>
<p><b>Who is entitled to vote on the RCPS Scheme?</b></p>	<p>Decmil RCPS Holders, other than the Excluded RCPS Holders, who are recorded as the holders of Decmil RCPS on the Decmil RCPS Register as at 5:00pm (AWST) on 8 August 2024, are entitled to vote at the RCPS Scheme Meeting.</p> <p>Refer to the meeting details and how to vote information in Section 6 for further information.</p>
<p><b>Is voting compulsory?</b></p>	<p>Voting is not compulsory. However, your vote is important in deciding whether the Schemes are approved. Decmil Securityholders are strongly encouraged to vote.</p> <p>Decmil Securityholders who cannot attend the Scheme Meetings may complete and return the personalised proxy form (enclosed with this Scheme Booklet) or alternatively appoint a representative with a power of attorney.</p> <p>Refer to the meeting details and how to vote information in Section 6 for further information.</p>
<p><b>How do I vote?</b></p>	<p>Details of how to vote are set out in Section 6.1 and are also included in the Notice of Ordinary Scheme Meeting set out in Annexure F and Notice of RCPS Scheme Meeting set out in Annexure G.</p>
<p><b>What voting majority is required to approve the Schemes?</b></p>	<p>For the Ordinary Scheme to be approved by Decmil Shareholders, votes in favour of the Ordinary Scheme must be received from:</p> <ul style="list-style-type: none"> <li>(a) a majority in number (more than 50%) of Decmil Shareholders (other than the Excluded Shareholders) present and voting at the Ordinary Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Decmil Shareholders, by corporate representative); and</li> <li>(b) Decmil Shareholders (other than the Excluded Shareholders) who together hold at least 75% of the total number of votes cast on the Ordinary Scheme Resolution.</li> </ul> <p>For the RCPS Scheme to be approved by Decmil RCPS Holders, votes in favour of the RCPS Scheme must be received from:</p> <ul style="list-style-type: none"> <li>(a) a majority in number (more than 50%) of Decmil RCPS Holders (other than Excluded RCPS Holders) present and voting at the RCPS Scheme Meeting (in person, by proxy, by attorney or, in the case of corporate Decmil RCPS Holders, by corporate representative); and</li> <li>(b) Decmil RCPS Holders (other than Excluded RCPS Holders) who together hold at least 75% of the total number of votes cast on the RCPS Scheme Resolution.</li> </ul> <p>Refer to the Scheme Meeting details and how to vote information in Section 6 for further information.</p>

<p><b>What happens if I do not vote or vote against the Schemes?</b></p>	<p>Even if you do not vote, or if you vote against the Schemes, the Schemes will still be implemented if they are approved by the Requisite Majorities of Decmil Securityholders, and the Court and all other Scheme Conditions are satisfied (or, if applicable, waived).</p>
<p><b>What are the Scheme Conditions?</b></p>	<p>The Scheme Conditions that have not already been satisfied are described in Sections 17.2 and 18.1.</p> <p>The Schemes will only be implemented if, amongst other things:</p> <ul style="list-style-type: none"> <li>(a) the Requisite Majority of Decmil Securityholders approve the Schemes;</li> <li>(b) the Court approves the Schemes; and</li> <li>(c) the remainder of the Scheme Conditions are satisfied (or, if applicable, waived).</li> </ul> <p>At the date of this Scheme Booklet the Decmil Directors are not aware of any Scheme Condition that is likely to prevent the Schemes becoming Effective and the Transaction progressing.</p> <p>Refer to Section 17.2 for further information.</p>
<p><b>Exclusivity and Reimbursement Fee</b></p>	<p>The Scheme Implementation Deed includes:</p> <ul style="list-style-type: none"> <li>(a) exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of 15 October 2024, the Implementation Date or the termination of the Scheme Implementation Deed; and</li> <li>(b) the Reimbursement Fee of \$979,386, which may become payable by Decmil or Macmahon to the other party in certain circumstances (the break fee is not payable if the Schemes do not proceed merely because Decmil Securityholders do not vote in favour of the Schemes in sufficient numbers to meet the legal tests).</li> </ul> <p>Further information in relation to the exclusivity arrangements and Reimbursement Fee is set out in Sections 18.2, 18.3 and 18.7.</p>
<p><b>What happens after the Scheme Meetings?</b></p>	<p>Even if the applicable resolutions approving the Schemes are passed at the Scheme Meetings, the Schemes remain subject to approval of the Court and the satisfaction (or, if applicable, waiver) of any other Scheme Conditions that remain outstanding on the date of the Scheme Meetings.</p>
<p><b>What happens if one or more of the Scheme Conditions are not satisfied or waived?</b></p>	<p>The Schemes will not be implemented, and Decmil and Macmahon will continue as separate entities, with each company bearing its own costs incurred as a result of the Transaction.</p> <p>Refer to Section 10 for further information.</p>

<p><b>Am I required to give any assurances by participating in the Schemes?</b></p>	<p>If the Schemes are implemented, each Decmil Securityholder is deemed to have warranted to Macmahon, and appointed and authorised Decmil as its attorney and agent to warrant to Macmahon, that:</p> <p>(a) all their Decmil Shares (including any rights and entitlements attaching to those Decmil Shares) transferred to Macmahon under the Ordinary Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Decmil Shares under the Ordinary Scheme; and</p> <p>(b) all of their Decmil RCPS (including any rights and entitlements attaching to those Decmil RCPS) which are cancelled and extinguished under the RCPS Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Decmil RCPS Shares under the RCPS Scheme.</p> <p>Refer to Sections 17.7 for further information.</p>
<p><b>Will I have to pay brokerage fees or stamp duty?</b></p>	<p>Decmil Securityholders will not be required to pay brokerage or stamp duty on the transfer of their Decmil Securities.</p>
<p><b>When will I receive my Scheme Consideration?</b></p>	<p>If the Schemes become Effective, the Scheme Consideration will be paid on the Implementation Date, which is expected to be 15 August 2024.</p> <p>Refer to Section 12.2 for further information.</p>
<p><b>Can I sell my Decmil Shares and Decmil RCPS now?</b></p>	<p>Decmil Shareholders and/or Decmil RCPS Holders may sell their Decmil Shares and/or Decmil RCPS (as the case may be) at the prevailing market price, on-market at any time before the close of trading on ASX on the Effective Date, which is expected to be 2:00pm (AWST) on 6 August 2024.</p> <p>If Decmil Shareholders and/or Decmil RCPS Holders sell their Decmil Shares and/or Decmil RCPS before the Effective Date (the last day of trading in Decmil Shares and Decmil RCPS before suspension) they will not receive the Scheme Consideration.</p> <p>Refer to the Ordinary Scheme of Arrangement and RCPS Scheme of Arrangement set out in Annexure B and Annexure C for further information.</p>

<p><b>Will the Schemes be a taxable transaction for Australian tax purposes?</b></p>	<p>Section 16 provides a description of the general Australian tax consequences of the Schemes for certain Decmil Securityholders.</p> <p>You should consult with your own tax adviser regarding the consequences of disposing of Decmil Shares and/ or Decmil RCPS under the Schemes, in light of current tax laws and your particular personal circumstances.</p> <p>Refer to Section 16 for further information.</p>
<p><b>What changes to the Macmahon or Decmil board will occur as a result of the Schemes?</b></p>	<p>There will be no changes to the Macmahon Board. Following the successful completion of the Transaction, the Decmil Board and the directors of Decmil's subsidiaries will, subject Macmahon's discretion, resign and be replaced by nominees of Macmahon.</p>
<p><b>What are the benefits of Macmahon acquiring Decmil?</b></p>	<p>The Scheme will provide Decmil Securityholders with the opportunity to realise their investment in Decmil for cash consideration at a substantial premium to the current trading price for Decmil Shares and Decmil RCPS.</p> <p>Refer to Section 7 for the reasons why Decmil Directors recommend that you vote in favour of the Schemes and Sections 13 and 14 for profiles of Decmil and Macmahon.</p>
<p><b>What other information is available?</b></p>	<p>Decmil Securityholders with any questions in relation to the Schemes, should contact the Company Secretary of Decmil, Mr Peter Coppini by phone on: +61 8 6240 8126 or by email: <a href="mailto:investors@decmil.com.au">investors@decmil.com.au</a>.</p> <p>Decmil Securityholders with any questions in relation to their holdings in Decmil, should contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 9.00am and 5.00pm, Monday to Friday, or consult their legal, financial or other professional adviser.</p>

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## **12. OVERVIEW OF THE SCHEMES**

### **12.1 Summary of the proposed Schemes**

A scheme of arrangement is a statutory procedure that is commonly used to enable one company to acquire or merge with another. The Schemes are the mechanism by which Decmil Securityholders may approve the Transaction and have their Decmil Securities transferred to Macmahon.

If implemented, the inter-conditional Schemes will have the following effect:

- (a) all Decmil Shares will be transferred from existing Decmil Shareholders to Macmahon in return for the Ordinary Scheme Consideration;
- (b) all Decmil RCPS will be transferred from existing Decmil RCPS Holders to Macmahon in return for the RCPS Scheme Consideration;
- (c) Decmil will become a wholly-owned subsidiary of Macmahon, and Decmil will be de-listed from ASX;
- (d) the strategic direction for the development of Decmil's existing business will be determined by the post-Scheme Macmahon Board.

Implementation of the Schemes is subject to the Scheme Conditions being satisfied (or, if applicable, waived), including the condition that the Schemes may only be implemented if Decmil Securityholders vote in favour of the Schemes by the Requisite Majorities at the Scheme Meetings. A summary of the Scheme Conditions which have not already been satisfied and the steps necessary to implement the Scheme appears in Section 17.2.

### **12.2 Scheme Consideration**

#### **12.2.1 Ordinary Scheme**

If the Ordinary Scheme becomes Effective, each Ordinary Scheme Shareholder, will receive \$0.30 cash per Decmil Share they hold as at 5:00pm (AWST) on the Record Date. The Ordinary Scheme Consideration will be issued by Macmahon on the Implementation Date, which is expected to be 15 August 2024.

Ordinary Scheme Shareholders who have validly registered their bank account details with Decmil's share registry before the Record Date may have their Ordinary Scheme Consideration sent directly to their bank account. Otherwise, Ordinary Scheme Shareholders will have their Ordinary Scheme Consideration sent by cheque to their address shown on the Decmil Share Register.

It is important to note that you will only receive the Ordinary Scheme Consideration if you are an Ordinary Scheme Shareholder. You will be an Ordinary Scheme Shareholder if you hold Decmil Shares at the Record Date (currently expected to be 5:00pm (AWST) on 8 August 2024) or such other time and date as Decmil and Macmahon agree in writing).

#### **12.2.2 RCPS Scheme**

If the RCPS Scheme becomes Effective, each RCPS Scheme Holder, will receive \$0.343 cash per Decmil RCPS they hold as at 5:00pm (AWST) on the Record Date. The RCPS Scheme Consideration will be issued by Macmahon on the Implementation Date, which is expected to be 15 August 2024.

RCPS Scheme Holders who have validly registered their bank account details with Decmil's RCPS registry before the Record Date may have their RCPS Scheme Consideration sent directly to their bank account. Otherwise, RCPS Scheme Holders will have their RCPS Scheme Consideration sent by cheque to their address shown on the Decmil RCPS Register.

It is important to note that you will only receive the RCPS Scheme Consideration if you are a RCPS Scheme Holder. You will be a RCPS Scheme Holder if you hold Decmil RCPS at the Record Date (currently expected to be 5:00pm (AWST) on 8 August 2024) or such other time and date as Decmil and Macmahon agree in writing).

### **12.3 Scheme Meetings**

On 24 June 2024, the Court ordered that the Scheme Meetings be convened in accordance with the Notice of Ordinary Scheme Meeting and Notice of RCPS Scheme Meeting.

The Ordinary Scheme Meeting will be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 at 10:00am (AWST) on 31 July 2024 and the RCPS Scheme Meeting will be held at the later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting on 31 July 2024.

The fact that the Court has ordered that the Scheme Meetings to be convened is not an endorsement of, or expression of opinion on, the Schemes by the Court and is no indication that the Court has a view as to the merits of the Schemes or as to how Decmil Securityholders should vote at the Scheme Meetings. On these matters, Decmil Securityholders must make their own decision.

### **12.4 Unanimous recommendation of the Decmil Directors**

The Decmil Directors unanimously recommend, in the absence of a Superior Proposal and on the basis that the Independent Expert maintains its opinion that:

- (a) the Ordinary Scheme is in the best interests of Decmil Shareholders; and
- (b) the RCPS Scheme is in the best interests of Decmil RCPS Holders,

that Decmil Shareholders vote in favour of the Ordinary Scheme and that Decmil RCPS Holders vote in favour of the RCPS Scheme.

The Decmil Directors believe that the reasons for Decmil Securityholders to vote in favour of the Schemes outweigh the potential disadvantages and reasons to vote against the Schemes. Each Decmil Director who holds Decmil Securities or on whose behalf Decmil Securities are held at the time of the Scheme Meetings intends, in the absence of a Superior Proposal, to vote in favour of the Schemes.

In making their recommendation and determining how to vote on the Schemes, the Decmil Directors have considered:

the advantages and disadvantages of the Schemes, as summarised in Section 7 and Section 8 respectively;

- (a) the implications of the Schemes not being approved, as summarised in Section 10;



- (b) the opinion of the Independent Expert (refer to Section 12.5), that, in the absence of a Superior Proposal, the Schemes are fair and reasonable to Decmil Securityholders and in the best interests of Decmil Securityholders; and
- (c) the alternative arrangements to the Schemes that might have otherwise been available to Decmil.

Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. These interests are described in Section 5.2.

## **12.5 Independent Expert's conclusion**

Decmil commissioned the Independent Expert, Nexia Perth Corporate Finance Pty Ltd, to prepare a report on whether the Schemes are in the best interests of Decmil Securityholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal:

- (a) the Ordinary Scheme is fair and reasonable to, and in the best interests of, Decmil Shareholders; and
- (b) the RCPS Scheme is fair and reasonable to, and in the best interests of, Decmil RCPS Holders.

The Independent Expert's Report is set out in Annexure A to this Scheme Booklet. The Decmil Directors recommend that Decmil Securityholders read the Independent Expert's Report in full.

## **12.6 Treatment of Decmil Options**

Decmil has a total of 4,593,238 Decmil Options on issue, of which 1,800,000 Decmil Options are held by Decmil Directors.

Decmil has entered into the Option Deeds with each of the Decmil Optionholders, pursuant to which each of the Decmil Optionholders has agreed that their Decmil Options will be cancelled for the Decmil Option Consideration, subject to the Schemes becoming Effective. Specifically, the Decmil Directors have agreed to the cancellation of the 1,800,000 Decmil Options held by them for nil consideration.

## **12.7 Treatment of Decmil Warrants**

Decmil has a total of four Decmil Warrants on issue which may be exercised into a total of 50,769,231 Decmil Shares, of which none are held by Decmil Directors.

Decmil has entered into the Warrant Deeds with each of the Decmil Warrant Holders, pursuant to which each of the Decmil Warrant Holders has agreed that their Decmil Warrants will be cancelled for the Decmil Warrant Consideration, subject to the Schemes becoming Effective.

## **12.8 Treatment of Decmil 2023 Performance Rights**

Decmil has a total of 17,706,174 Decmil 2023 Performance Rights on issue, of which 10,928,054 Decmil 2023 Performance Rights are held by Decmil Directors.

Decmil has entered into the 2023 Performance Rights Deeds with each of the Decmil 2023 Performance Rights Holders, pursuant to which each of the Decmil 2023 Performance Rights Holders has agreed that their Decmil 2023 Performance Rights will be cancelled for the Decmil 2023 Performance Rights Consideration, subject to the Schemes becoming Effective.

Refer to Section 5.2 for details with respect to the Decmil Directors' holdings and treatment in respect of the Decmil 2023 Performance Rights.

## **12.9 Treatment of Decmil Performance Rights**

Decmil has a total of 20,707,457 Decmil Performance Rights on issue, of which 15,727,274 Decmil Performance Rights are held by Decmil Directors.

In accordance with the Scheme Implementation Deed, Decmil must take such action as is necessary, prior to the Record Date, to ensure that subject to Decmil Securityholders approving the Schemes at the Scheme Meetings, all Decmil Performance Rights will vest in accordance with their terms and be exercised, and the resulting Decmil Shares are issued, so that the Decmil Performance Rights Holders can participate as Decmil Shareholders in the Ordinary Scheme.

Refer to Section 5.2 for details with respect to the Decmil Directors' holdings and treatment in respect of the Decmil Performance Rights.

## **12.10 Warranties given by Decmil Securityholders**

If the Schemes are implemented, each Decmil Securityholder is deemed to have warranted to Macmahon, and appointed and authorised Decmil as its attorney and agent to warrant to Macmahon, that:

- (a) all their Decmil Shares (including any rights and entitlements attaching to those Decmil Shares) transferred to Macmahon under the Ordinary Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Decmil Shares under the Ordinary Scheme; and
- (b) all their Decmil RCPS (including any rights and entitlements attaching to those Decmil RCPS) transferred to Macmahon under the RCPS Scheme will, at the date of transfer, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind and that they have full power and capacity to sell and transfer their Decmil RCPS under the RCPS Scheme.

## **12.11 If the Schemes do not proceed**

If the Schemes do not proceed, Decmil Securityholders will continue to hold Decmil Shares and/or Decmil RCPS. In the absence of any Superior Proposal to the Schemes, Decmil will continue as a standalone entity. Decmil Securityholders will be exposed to the risks relating to Decmil's business set out in Section 15.

Depending on the reasons why the Schemes do not proceed, Decmil or Macmahon may be liable to pay the Reimbursement Fee of \$979,386 to the other party. The Reimbursement Fee is not payable if the Schemes do not proceed merely because Decmil Securityholders do not vote in favour of the Schemes in sufficient numbers to meet the legal tests. Further information in relation to the Reimbursement Fee is set out in Section 18.7.

Decmil will also be liable to pay certain transaction costs in relation to the Schemes, regardless of whether or not the Schemes are implemented. If the Schemes do proceed, additional costs will be incurred.

Further, Decmil and certain members of the Decmil Group have entered into the Bond Facility Agreement with Macmahon, pursuant to which Macmahon may (if requested by Decmil and approved Macmahon) arrange the issue of bonds required by counterparties to Decmil's operational contracts. If the Scheme Implementation Deed 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 which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Agreement. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.

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## 13. PROFILE OF DECMIL

This Section of the Scheme Booklet contains information in relation to Decmil as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

### 13.1 Introduction

Decmil Group Limited (ASX:DCG) is an ASX listed company incorporated in Western Australia on 1 October 2004 and was admitted to the official list of ASX on 22 April 2005.

Decmil 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.

Further information can be found at [www.decmil.com](http://www.decmil.com) and Decmil's quarterly and annual reports released to the ASX.

### 13.2 Overview of Decmil's operations

Decmil was established in 1978 and since has grown to provide design, engineering, construction and maintenance engineering construction services to the Infrastructure, Resources, and Renewables sectors across Australia:

(a) **Infrastructure:**

- (i) government infrastructure projects including major road and bridge civil engineering projects;
- (ii) integrated transport solutions such as railway networks and privately owned airports;
- (iii) construction of schools, medical centres, facilities, privately owned airports and accommodation units for government and local councils; and
- (iv) construction of industrial and commercial buildings.

(b) **Resources:**

- (i) non-process infrastructure, including industrial buildings, workshop, storage facilities, control rooms, substations, workshops and accommodation facilities;
- (ii) construction of workforce accommodation and associated facilities; and
- (iii) civil works including site preparation, excavation, bulk earthworks and construction of roads and bridges.

(c) **Renewables:** feasibility, engineering, project management and construction services for the renewable energy sector with a focus on wind farm civil balance of plant projects.

### 13.3 Directors of Decmil

The directors of Decmil as at the date of this Scheme Booklet are as follows:

<b>Andrew Barclay</b> <b>Chair</b>	<p>Andrew was appointed as Chair of Decmil in July 2020. Andrew is a former partner of the Perth office of Mallesons Stephen Jacques (now King &amp; Wood Mallesons) with over 30 years' experience in major projects, mining, banking and finance and insolvency matters.</p> <p>In private practice Andrew has been involved in significant Western Australian infrastructure and mining projects, and major Western Australian corporate insolvencies. More recently, Andrew has acted as in-house counsel at Fortescue Metals Group and Roy Hill Holdings.</p> <p>Andrew holds a Bachelor of Laws (Hons) and Bachelor of Economics.</p>
<b>Rodney Heale</b> <b>Executive Director and Chief Executive Officer</b>	<p>Rod was appointed as a Director on 14 August 2023 and CEO on 20 June 2022. Rod brings more than 30 years' experience in the building, construction and infrastructure industry across Australia.</p> <p>Prior to joining Decmil Rod was Chief Operating Officer for John Holland's Australia and Asia business. Prior to this, Rod served as a Regional Executive for Thiess, John Holland and CPB Contractors.</p> <p>Rod holds a Bachelor of Engineering (Civil) from Monash University and a Master of Construction Law from The University of Melbourne. Rod is also a Fellow of Engineers Australia, a Fellow of the Australian Institute of Company Directors, and a Registered Builder in Victoria and Western Australia.</p>
<b>Peter Thomas</b> <b>Executive Director and Chief Financial Officer</b>	<p>Peter Thomas was appointed as a Director in July 2020 and currently holds the position of Chief Financial Officer. He is an experienced executive in the construction and resources industry with a proven track record in delivering large construction projects, and leading commercial, financial and corporate affairs.</p> <p>Peter's experience in the last decade includes CFO, CEO and Project Director roles with Fortescue Metals Group, Adani and Balla Balla Infrastructure (part of the New Zealand Todd Group).</p> <p>Peter is also Chair of Australian Owned Contractors.</p> <p>Peter holds an MBA from Harvard, Bachelor of Economics, Bachelor of Science, AIAA and GAICD.</p>
<b>David Steele</b> <b>Non-Executive Director</b>	<p>David was appointed as a Non-Executive Director in June 2021. David has over 35 years' experience in the resources, energy, and infrastructure sectors globally, having been with WorleyParsons for 17 years.</p> <p>David has worked in Australia and overseas. He has served with WorleyParsons as the Group Managing Director, Services of Asia and the Middle East, and then as Group Managing Director based in Houston, USA.</p>

	David holds a Bachelor of Engineering, specialising in electrical engineering and an MBA.
<b>Vincent Vassallo</b> <b>Non-Executive Director</b>	<p>Vin was appointed as a Non-Executive Director in June 2021 and held the position of interim Chief Executive Officer during the period April 2022 to June 2022. Vin has over 25 years of experience in the Australian infrastructure sector, including 14 years at Transurban. Vin has previously been Executive Regional Manager for Abigroup Contractors, an Australian infrastructure contractor, and various senior executive roles at Transurban.</p> <p>Vin has recently taken the role of Group Executive – Electricity Transmission at APA Group and is an Executive Director at Olla Advisory.</p> <p>Vin holds a Bachelor of Engineering, specialising in civil engineering.</p>

### 13.4 Financial information

The following information has been extracted from the audited consolidated financial statements of Decmil for the financial years ended 30 June 2023, 2022, and 2021 and auditor reviewed consolidated financial statements of Decmil for the 6-month period ended 31 December 2023.

The financial information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (including Australian Accounting Interpretations) adopted by the AASB and the Corporations Act. The financial information also complies with the recognition and measurement requirements of IFRS and interpretations issued by the International Accounting Standards Board.

The financial information presented in the tables below does not represent complete financial statements and should therefore be read in conjunction with the financial statements for the respective periods, including the description of accounting policies contained in those financial statements and the notes to those financial statements. Where appropriate, adjustments have been made to headings and classifications of historical data to provide a consistent basis of presentation.

In the interval between 31 December 2023 and the date of this Scheme Booklet, other than Decmil's entry into the Bond Facility Agreement (see Section 13.11), there has not arisen any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Decmil, to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as otherwise disclosed in the 31 December 2023 financial statements and subsequent filings on ASX.

Copies of Decmil's financial statements for the financial years ended 30 June 2023, 2022 and 2021 and period ending 31 December 2023 are available on the Decmil website ([www.decmil.com](http://www.decmil.com)). Copies will also be provided by Decmil, free of charge, to any Decmil Securityholder who requests it before the Scheme Meetings.

(a) **Consolidated statement of financial position**

Set out below is Decmil's consolidated statement of financial position as at 31 December 2023, 30 June 2023, 2022 and 2021:

	Consolidated			
	December 2023 \$'000	June 2023 \$'000	June 2022 \$'000	June 2021 \$'000
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	25,479	3,686	39,263	9,703
Trade and other receivables	30,238	40,838	37,175	24,940
Contract assets	33,358	33,771	16,258	27,436
Non-current asset held for sale	-	56,991	56,865	56,655
Other assets	11,667	6,374	5,808	3,341
<b>Total current assets</b>	<b>100,742</b>	<b>141,660</b>	<b>155,369</b>	<b>122,075</b>
<b>Non-current assets</b>				
Investment property	62,900	-	-	-
Plant and equipment	7,149	8,687	7,975	8,646
Right-of-use assets	8,907	8,441	11,030	13,655
Deferred tax assets	-	-	-	22,249
Intangible assets	50,000	50,000	50,000	75,482
<b>Total non-current assets</b>	<b>128,956</b>	<b>67,128</b>	<b>69,005</b>	<b>120,032</b>
<b>Total assets</b>	<b>229,698</b>	<b>208,788</b>	<b>224,374</b>	<b>242,107</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	77,913	84,403	73,261	50,501
Contract liabilities	21,329	14,668	41,959	14,843
Borrowings	2,551	8,505	19,454	196
Hire purchase lease liabilities	928	1,108	1,561	2,100
Leasing liabilities	1,951	2,342	2,619	2,333
Provisions	4,064	3,498	4,986	4,824
<b>Total current liabilities</b>	<b>108,736</b>	<b>114,524</b>	<b>143,840</b>	<b>74,797</b>
<b>Non-current Liabilities</b>				
Trade and other payables	7,531	6,908	10,866	4,692

	Consolidated			
	December 2023 \$'000	June 2023 \$'000	June 2022 \$'000	June 2021 \$'000
<b>Borrowings</b>	40,452	18,716	17,873	17,597
<b>Hire purchase lease liabilities</b>	1,258	1,664	2,919	2,853
<b>Leasing liabilities</b>	8,748	7,875	10,216	12,835
<b>Provisions</b>	441	375	319	236
<b>Total non-current liabilities</b>	<b>58,430</b>	<b>35,538</b>	<b>42,193</b>	<b>38,213</b>
<b>Total liabilities</b>	<b>167,166</b>	<b>150,062</b>	<b>186,033</b>	<b>113,010</b>
<b>Net assets</b>	<b>62,532</b>	<b>58,726</b>	<b>38,341</b>	<b>129,097</b>
<b>Equity</b>				
<b>Issued capital and Redeemable convertible preference shares (RCPS)</b>	304,566	298,325	279,961	267,487
<b>Reserves</b>	3,865	3,865	-	-
<b>Accumulated losses</b>	(245,899)	(243,464)	(241,620)	(138,390)
<b>Total equity</b>	<b>62,532</b>	<b>58,726</b>	<b>38,341</b>	<b>129,097</b>

(b) **Consolidated statement of comprehensive income**

Set out below is Decmil's consolidated statement of comprehensive income for the 6-month period ended 31 December 2023 and financial years ended 30 June 2023, 2022, and 2021.

	Consolidated			
	6 months to December 2023 \$'000	12 months to June 2023 \$'000	12 months to June 2022 \$'000	12 months to June 2021 \$'000
<b>Revenue</b>	215,254	489,167	377,597	303,722
<b>Cost of sales</b>	(203,869)	(452,171)	(393,358)	(279,448)
<b>Gross profit</b>	<b>11,385</b>	<b>36,996</b>	<b>(15,761)</b>	<b>24,274</b>
<b>Administration expenses</b>	(14,328)	(27,139)	(27,476)	(26,229)
<b>Equity based payments</b>	(621)	(857)	(431)	(150)
<b>Earnings before interest, tax, depreciation, and amortisation</b>	<b>2,577</b>	<b>9,000</b>	<b>(43,668)</b>	<b>(2,105)</b>
<b>Interest received</b>	1	2	17	32
<b>Borrowing costs</b>	(2,590)	(5,255)	(5,882)	(4,355)



	Consolidated			
	6 months to December 2023 \$'000	12 months to June 2023 \$'000	12 months to June 2022 \$'000	12 months to June 2021 \$'000
Depreciation and amortisation expense	(1,828)	(5,591)	(5,691)	(5,028)
Impairment of intangible asset	-	-	(25,482)	-
Loss before income tax expense	(1,840)	(1,844)	(80,706)	(11,456)
Income tax expense	-	-	(22,524)	-
Net loss after tax	(1,840)	(1,844)	(103,230)	(11,456)
<b>Other comprehensive income</b>				
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	(1,840)	(1,844)	(103,230)	(11,456)
<b>Loss for the period attributable to:</b>				
Owners of Decmil Group Limited	(1,840)	(1,844)	(103,230)	(11,456)
Loss for the period	(1,840)	(1,844)	(103,230)	(11,456)
Total comprehensive loss for the period, net of tax	(1,840)	(1,844)	(103,230)	(11,456)
<b>Earnings per share attributable to the owners of Decmil Group Limited</b>				
Basic earnings per share (cents per share)	(1.18)	(1.19)	(67.75)	(8.90)
Diluted earnings per share (cents per share)	(1.18)	(1.19)	(67.75)	(8.90)

(c) **Consolidated statement cash flows**

Set out below is Decmil's consolidated statement of cash flows for the 6-month period ended 31 December 2023 and for the financial years ended 30 June 2023, 2022 and 2021.

	Consolidated			
	6 months to December 2023 \$'000	12 months to June 2023 \$'000	12 months to June 2022 \$'000	12 months to June 2021 \$'000
<b>Cash flows from operating activities</b>				
Receipts from customers	219,319	453,707	444,038	302,528
Payments to suppliers and employees	(226,174)	(467,377)	(432,422)	(319,891)
Interest received	1	2	17	32

	Consolidated			
	6 months to December 2023 \$'000	12 months to June 2023 \$'000	12 months to June 2022 \$'000	12 months to June 2021 \$'000
Finance costs	(2,590)	(9,211)	(5,882)	(4,355)
Net cash (used in) / provided by operating activities	<b>(9,444)</b>	<b>(22,879)</b>	<b>5,751</b>	<b>(21,686)</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(140)	(546)	(870)	(1,032)
Non-current asset held for sale additions	-	(126)	(210)	(11)
Proceeds from sale of non-current assets	155	2,019	220	2,193
Net cash (used in)/provided by investing activities	<b>15</b>	<b>1,347</b>	<b>(860)</b>	<b>1,150</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	13,283	-	21,655	17,597
Repayment of borrowings	(278)	(13,749)	(2,062)	(27,061)
Repayment of lease liabilities	(1,077)	(4,604)	(4,565)	(4,192)
Net proceeds / (payments) from share issue	19,889	4,308	9,641	(35)
Dividend paid	(595)	-	-	-
Net cash provided by / (used in) financing activities	<b>31,222</b>	<b>(14,045)</b>	<b>24,669</b>	<b>(13,691)</b>
Net increase / (decrease) in cash held	<b>21,793</b>	<b>(35,577)</b>	<b>29,560</b>	<b>(34,227)</b>
Cash at beginning of period	3,686	39,263	9,703	43,930
Cash at end of period	<b>25,479</b>	<b>3,686</b>	<b>39,263</b>	<b>9,703</b>

(d) **Material changes to the financial position of Decmil since 31 December 2023**

The Decmil Financial Report for the period ended 31 December 2023 was released to ASX on 22 February 2024. To the knowledge of the Decmil Directors, the financial position of Decmil has not materially changed since 31 December 2023, as reported in Decmil's Financial Report for that period, other than:

- (i) as disclosed in this Scheme Booklet or as otherwise disclosed to the ASX by Decmil; and
- (ii) in accordance with generally known market conditions.

An electronic copy of Decmil's Financial Report for the year ended 30 June 2023 is available on the ASX's website [www.asx.com.au](http://www.asx.com.au) under ASX code 'DCG' or on Decmil's website at [www.decmil.com](http://www.decmil.com).

Further, Decmil and certain members of the Decmil Group have entered into the Bond Facility Agreement with Macmahon, pursuant to which Macmahon may (if requested by Decmil and approved by Macmahon) arrange the issue of bonds required by counterparties to Decmil's operational contracts. If the Scheme Implementation Deed 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 which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.

(e) **Forecast Financial Information**

Decmil has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. Decmil has concluded that, as at the date of the Scheme Booklet, it would be misleading to provide forecast financial information, as a reasonable basis does not exist for providing financial forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

### 13.5 Decmil's issued Securities

As at the date of this Scheme Booklet, Decmil has the following securities on issue:

Security	Total on issue
<b>Decmil Shares</b>	155,586,158
<b>Decmil RCPS</b>	131,342,687
<b>Decmil Options</b>	
Decmil Option: Exercise price of \$0.252 and expiring 23 October 2026	2,793,238
Decmil Option: Exercise price of \$0.75 and expiring 31 October 2024	1,800,000
<b>Decmil Warrants</b>	4 (exercisable into 50,769,231 Decmil Shares)
<b>Decmil Performance Rights</b>	
Decmil Performance Rights	20,707,457
Decmil 2023 Performance Rights	17,706,174

### 13.6 Decmil's substantial Decmil Shareholders

Based on information lodged with ASX or known to Decmil, Decmil had the following substantial Decmil Shareholders as at the date of this Scheme Booklet:

Decmil Shareholder	Number of Decmil Shares held	Percentage of issued Decmil Shares (%)
Thorney Investment Group	31,019,771	19.94%

Decmil Shareholder	Number of Decmil Shares held	Percentage of issued Decmil Shares (%)
Horley Pty Ltd	10,500,000	6.75%

As disclosed in Section 7.6, each of the above substantial Decmil Shareholders have provided voting intention statements to Decmil, that they intend to vote their Decmil Shares in favour of the Ordinary Scheme (subject to their being no Superior Proposal and to the Independent Expert concluding and continuing to conclude that the Ordinary Scheme is in the best interests of Decmil Shareholders).

The shareholdings listed in this Section are as disclosed by Decmil Shareholders in substantial holding notices or are otherwise known to Decmil as at the date of this Scheme Booklet. Information regarding substantial holdings that arise, change or cease after the date of the substantial holding notices disclosed to Decmil, or in respect of which the relevant announcement is not available on the ASX's website ([www.asx.com.au](http://www.asx.com.au)), is not included above.

### 13.7 Decmil's substantial Decmil RCPS Holders

Based on information lodged with ASX or known to Decmil, Decmil had the following substantial Decmil RCPS Holders as at the date of this Scheme Booklet:

Decmil RCPS Holder	Number of Decmil RCPS held	Percentage of issued Decmil RCPS (%)
Thorney Investment Group	50,102,095	38.15%
Harvest Lane Asset Management Pty Ltd	8,460,014	6.44%

As disclosed in Section 7.6, each of the entities comprising the Thorney Investment Group have provided voting intention statements to Decmil, that they intend to vote their Decmil RCPS in favour of the RCPS Scheme (subject to their being no Superior Proposal and to the Independent Expert concluding and continuing to conclude that the RCPS Scheme is in the best interests of Decmil RCPS Holders).

The Decmil RCPS holdings listed in this Section are as known to Decmil as at the date of this Scheme Booklet.

### 13.8 Interests of Decmil Directors<sup>8</sup> and Macmahon Directors in Decmil Securities

The Decmil Directors have Relevant Interests in the following Decmil Securities.

Director	Decmil Shares	Decmil RCPS	Decmil Options	Decmil Performance Rights	Decmil 2023 Performance Rights
Peter Thomas	1,300,000	2,009,670	900,000	6,000,000	5,117,955

<sup>8</sup> Decmil Securityholders should have regard to the interests of the Decmil Directors in the outcomes of the Schemes, which may differ from those of other Decmil Securityholders. Each of the Decmil Directors considers that it is appropriate for them to make a recommendation in relation to the Schemes, as each of them believes that the benefits are not of such materiality to them that they impact their consideration of the Schemes or their ability to make a recommendation to Decmil Securityholders. Further details of the potential benefits (including the value of them) are outlined in Section 5.2.

Director	Decmil Shares	Decmil RCPS	Decmil Options	Decmil Performance Rights	Decmil 2023 Performance Rights
Rodney Heale	Nil	400,000	Nil	7,727,274	5,810,099
Andrew Barclay	241,855	177,834	900,000	2,000,000	Nil
David Steele	125,000	91,912	Nil	Nil	Nil
Vincent Vassallo	100,000	50,000	Nil	Nil	Nil

Refer to Section 5.2 for further detail with respect to the Decmil Directors' interests and treatment of their holdings of Decmil Options, Decmil Performance Rights and Decmil 2023 Performance Rights in the context of the Schemes.

No Macmahon Director has a Relevant Interest in any Decmil Securities.

### 13.9 Decmil Share trading history

The last recorded sale price of Decmil Shares traded on ASX before the announcement of the Schemes on 16 April 2024 was \$0.17 (as at closing on 15 April 2024).

On the Last Practicable Date, the closing price of Decmil Shares on ASX was \$0.290.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Decmil Shares on ASX were, respectively, \$0.295 on 21 June 2024 and \$0.155 on 9 April 2024.

Set out below is the volume weighted average price of Decmil Shares for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
<b>VWAP</b>	\$0.2914	\$0.2913	\$0.2909	\$0.2570

### 13.10 Decmil RCPS trading history

The last recorded sale price of Decmil RCPS traded on ASX before the announcement of the Schemes on 16 April 2024 was \$0.19 (as at closing on 15 April 2024).

On the Last Practicable Date, the closing price of Decmil RCPS on ASX was \$0.333.

During the three-month period up to and including the Last Practicable Date, the highest and lowest recorded sale prices of Decmil RCPS on ASX were, respectively, \$0.335 on 24 June 2024 and \$0.185 on 27 March 2024.

Set out below is the volume weighted average price of Decmil RCPS for various periods up to and including the Last Practicable Date:

	10 Days	20 days	30 days	90 days
<b>VWAP</b>	\$0.3327	\$0.3322	\$0.3310	\$0.3089

### 13.11 Bond Facility Agreement

Decmil, certain members of the Decmil Group and Macmahon entered into the Bond Facility Agreement (on 30 May 2024, pursuant to which Macmahon may (if requested by Decmil and approved by Macmahon) arrange the issue of bonds required by counterparties to Decmil's operational contracts.

As at the Last Practicable Date, Decmil has not made any drawdowns pursuant to the Bond Facility Agreement.

A summary of the material provisions of the Bond Facility Agreement is set out below.

- (a) **(Purpose)**: the Bond Facility Agreement has been executed by the parties to assist 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, including:
  - (i) for the initial draw down, the provision by Decmil of certain certificates and a board resolution to Macmahon, and the provision of a legal opinion prepared by Macmahon's and Decmil's lawyers; and
  - (ii) in respect of all draw downs, the provision by Decmil of a utilisation notice, the face value of the proposed draw down and the outstanding face value of all previous drawings not being greater than the Facility Limit and there being no event of default or review event which has occurred or would result from the drawing.
- (d) **(Issue Fee)**: on the date of issue of each bond, Decmil must pay an issue fee to Macmahon with respect to each bond in an amount equal to 4% of the face value of the bond on the date of issue of the bond, unless:
  - (i) the bond provider from whom Macmahon requests a bond imposes on Macmahon a minimum fee (however defined) payable per bond (**Minimum Premium**), and the Minimum Premium exceeds the Issue Fee, in which case Decmil must pay the difference between the Issue Fee and the Minimum Premium to Macmahon on the date of issue of the bond; and
  - (ii) for any reason a bond provider imposes any additional premiums (however defined) on Macmahon in relation to a bond (**Additional Premiums**), Decmil must pay the amount of the Additional Premium to Macmahon promptly on demand by Macmahon, and in any event within two Business Days of demand by Macmahon.

- (e) **(Call Fee)**: if a demand is made under a bond, Decmil must pay to Macmahon any call fee (however defined) with respect to the bond, which is payable by Macmahon to the bond provider on account of the demand as soon as reasonably practicable and, in any event, within five Business Days of written demand by Macmahon.
- (f) **(Administration Fee)**: Decmil must pay to Macmahon the amount of any administration fee (however defined) payable by Macmahon to a bond provider in connection with a bond as soon as reasonably practicable and, in any event, within 5 Business Days of written demand by Macmahon.
- (g) **(Other Fees)**: Decmil must also pay Macmahon:
- (i) such other fees as are specified for the bond facility;
  - (ii) as soon as reasonably practicable and, in any event, within 5 Business Days of written demand by Macmahon, the amount of any other fees or expenses payable to a bond provider in connection with a bond, including but not limited to any:
    - (A) fronting fee payable in connection with a fronted bank guarantee or bond;
    - (B) renewal fees;
    - (C) re-issue of bond fee;
    - (D) refund of bond fee;
    - (E) brokerage, commission or intermediary fees;
    - (F) any additional fees or whatever nature; and
    - (G) such other fees as are notified by Macmahon to Decmil as being payable for facilities in the same nature as a bond facility.
- (h) **(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.
- (i) **(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.
- (j) **(Review events)**: the Bond Facility Agreement deems certain events to be "Review Events". "Review Events" include events that make it unlikely that the Schemes would proceed, such as Decmil Securityholders not approving the Schemes at the relevant Scheme Meeting by the Requisite Majorities (as applicable) in accordance with the Scheme Implementation Deed, the Court not making orders approving the Schemes or the failure to satisfy any other of the Scheme Conditions 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; 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.

- (k) **(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; or
  - (ii) the date which is 60 days after the date on which the Scheme Implementation Deed is terminated.

**(Termination Date)**:

- (l) **(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.
- (m) **(Other terms)**: the Bond Facility Agreement is otherwise on terms customary for an agreement of this nature.
- (n) **(Governing law)**: the Bond Facility Agreement is governed by the laws of Western Australia.

Decmil considers the terms of the Bond Facility Agreement are at least as favourable as its existing bond facilities, which are currently fully drawn. Decmil has entered into the Bond Facility Agreement to provide it with flexibility to satisfy its obligations to provide bonds in support of existing operational contracts and contracts for new work without having to renegotiate its existing bond facilities.

If it became necessary, Decmil would be able to repay or refinance the outstanding face value of any bonds issued under the Bond Facility Agreement within 60 days of the Scheme Implementation Deed being terminated. The only bonds which will be issued under the Bond Facility Agreement will be specific bonds required for new projects, and bonds required to replace bonds or bank guarantees presently issued by NAB under the \$40m debt facility provided by NAB to the Decmil Group (**NAB Facility**). The NAB Facility currently has \$16m of bank guarantees issued and has \$24m of unused capacity. Decmil could therefore use the NAB Facility to repay any bonds issued under the Bond Facility Agreement provided by Macmahon.

Alternately, any bonds issued to Macmahon under the Bond Facility Agreement could be swapped using other existing facilities the Decmil Group has in place with current surety providers.

Decmil will announce to the market prior to the Scheme Meetings if any material status updates occur with respect to, the Bond Facility Agreement.



### 13.12 Decmil announcements and reports

As a disclosing entity, Decmil is subject to the periodic and continuous disclosure and reporting requirements of the Corporations Act and ASX Listing Rules. Specifically, as a listed company, Decmil is subject to the ASX Listing Rules which require continuous disclosure of any information Decmil has concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.

Decmil announcements are available on its website ([www.decmil.com](http://www.decmil.com)) as well as the ASX website ([www.asx.com.au](http://www.asx.com.au)). Further announcements concerning developments at Decmil may be made and placed on these websites after the date of this Scheme Booklet.

In addition, Decmil is also required to lodge various documents with ASIC. Copies of documents lodged with ASIC in relation to Decmil may be obtained from, or inspected at, an ASIC office.

Decmil will provide a copy of each of the following documents, free of charge, to anyone who asks for them before the Schemes are approved by the Court. The following documents can also be obtained from the ASX website ([www.asx.com.au](http://www.asx.com.au)) or from the Decmil website ([www.decmil.com](http://www.decmil.com)):

- (a) the annual financial report of Decmil for the year ended 30 June 2023 (being the annual financial report most recently lodged with ASIC by Decmil before lodgement of a copy of this Scheme Booklet with ASIC for registration); and
- (b) any continuous disclosure announcements made by Decmil after the date of the lodgement of the annual report referred to above and before the lodgement of a copy of this Scheme Booklet with ASIC for registration.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Scheme Booklet.

The following table summarises material announcements made by Decmil to ASX since 24 August 2023 (being the date of lodgement of the annual report referred to in paragraph 13.10(a)).

Date Lodged	Description of Document (ASX announcement header)
24/06/2024	Decmil Securityholders to Vote on Macmahon Acquisition
3/06/2024	Scheme of Arrangement Update and Bonding Facility Agreement
16/05/2024	Notification of cessation of securities - DCG
9/05/2024	Becoming a substantial holder
26/04/2024	Appendix 3Y - Peter Thomas
16/04/2024	Macmahon Offers to Acquire Decmil by Scheme of Arrangement
16/04/2024	MAH: Investor Presentation - Macmahon to Acquire Decmil
16/04/2024	MAH: Macmahon to Acquire Decmil to Expand Civil Business
15/04/2024	Trading Halt
15/04/2024	Pause in Trading
22/02/2024	H1 FY24 Results Presentation

Date Lodged	Description of Document (ASX announcement header)
22/02/2024	H1 FY24 Results Announcement
22/02/2024	H1 FY24 Financial Report
22/02/2024	H1 FY24 Appendix 4D
20/02/2024	Dividend/Distribution - DCGPA
13/02/2024	HY FY24 Results Presentation - Webinar Notification
4/01/2024	Appendix 3Y - Peter Thomas
29/12/2023	Response to ASX Query
29/12/2023	Appendix 3Y - Peter Thomas
20/12/2023	Decmil Awarded Ison Road Rail Overpass Contract
29/11/2023	Business Update
20/11/2023	Appendix 3Y - Peter Thomas
20/11/2023	Appendix 3Y - Rodney Heale
20/11/2023	Appendix 3Y - Andrew Barclay
17/11/2023	Notification regarding unquoted securities - DCG
15/11/2023	Notification of cessation of securities - DCG
1/11/2023	Application for quotation of securities - DCG
24/10/2023	Notification regarding unquoted securities - DCG
20/10/2023	Proposed issue of securities - DCG
12/10/2023	Results of Annual General Meeting
12/10/2023	AGM Presentation
6/09/2023	Appendix 4G and 2023 Corporate Governance Statement
6/09/2023	Appendix 3Y - Peter Thomas
6/09/2023	Appendix 3Y - David Steele
6/09/2023	Appendix 3Y - Andrew Barclay
6/09/2023	Decmil Advises Expiry of Placement Options
6/09/2023	Notification of cessation of securities - DCG
5/09/2023	Notice of Annual General Meeting and Proxy Form
4/09/2023	Decmil Change of Address Notification - Securities Registry
31/08/2023	Decmil Advises Conversion of RCPS into Ordinary Shares
31/08/2023	Application for quotation of securities - DCG
30/08/2023	Update - Dividend/Distribution - DCGPA
24/08/2023	Notification of cessation of securities - DCG
24/08/2023	Corporate Calendar

### 13.13 Risk factors

Risk factors relating to Decmil and its business are discussed in Section 15.

### **13.14 Material events since 31 December 2023**

Within the knowledge of the Decmil Directors and other than as disclosed in this Scheme Booklet, including the reviewed and audited consolidated financial statements contained in Section 13.4, there has not been any other material change in the financial position of Decmil since 31 December 2023.

### **13.15 Decmil Directors' intentions**

The Corporations Regulations require a statement by the Decmil Directors of their intentions regarding Decmil's business. If the Schemes are implemented, the current Decmil Directors, with the exception of Rodney Heale and Peter Thomas, intend to resign as Decmil Directors, and an alternative board will be determined by Macmahon. It is for the new Decmil Board to determine its intentions as to:

- (a) the continuation of the business of Decmil;
- (b) any major changes, if any, to be made to the business of Decmil; and
- (c) the future employment of the present employees of Decmil.

If the Schemes are implemented, Macmahon will have 100% ownership and control of Decmil. The current intentions of Macmahon with respect to these matters are set out in Section 14.8.

If the Schemes are not implemented, the Decmil Directors intend to continue to operate the business in the same way it is currently operating.

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## 14. PROFILE OF MACMAHON

This Section of the Scheme Booklet contains information in relation to Macmahon as at the date of the Scheme Booklet. Additional information is included in the Independent Expert's Report set out in Annexure A to this Scheme Booklet.

### 14.1 Introduction to Macmahon

Macmahon is an ASX listed company that provides end-to-end mining services for surface and underground mines that encompass mine development and materials delivery, engineering, civil construction, on-site surface and underground mining services, rehabilitation and site remediation.

Founded in 1963, Macmahon employs over 9,000 people across sites in Australia and Southeast Asia and is headquartered in Perth, Western Australia.

Macmahon services major resource companies, including AngloGold Ashanti, Anglo American, PT AMNT, QCoal, Newmont, Red5, Silver Lake and Genesis Minerals, and has a diversified commodity mix of primarily gold, copper, metallurgical coal and lithium.

Further information can be found at [www.macmahon.com.au](http://www.macmahon.com.au) and Macmahon's quarterly and annual reports released to the ASX.

### 14.2 Overview of Macmahon's business

Macmahon operates across three key sectors: surface mining, underground mining, mining support and civil infrastructure. A summary of each sector is outlined below:

#### (a) Surface mining

Macmahon's surface mining division operates in Australia and Southeast Asia, offering a broad suite of services including:

- (i) bulk and selective mining;
- (ii) mine planning and analysis;
- (iii) drill and blast;
- (iv) crushing and screening;
- (v) fixed plant maintenance;
- (vi) water management;
- (vii) equipment operation and maintenance; and
- (viii) technology solutions.

#### (b) Underground mining

Macmahon has a growing and highly experienced underground division specialising in underground mining and engineering services, including:

- (i) mine development;
- (ii) mine production;
- (iii) raise drilling;

- (iv) cablebolting;
- (v) technology solutions;
- (vi) shotcreting;
- (vii) remote shaft lining;
- (viii) production drilling;
- (ix) shaft sinking; and
- (x) paste fill.

(c) **Mining support and civil infrastructure**

Mining support - engineering

Macmahon's extensive engineering capabilities provide clients with tailored mining solutions for projects both above and below ground with the ability to undertake design and fabrication and complete onsite construction.

Macmahon can deliver a comprehensive engineering, procurement, and construction offering from design to completion and maintenance, including:

- (i) shaft lining and maintenance;
- (ii) shaft fit out;
- (iii) ore pass liners;
- (iv) winder refurbishment;
- (v) conveying, crushing, materials handling;
- (vi) emergency egress systems;
- (vii) pump stations and rising mains; and
- (viii) site workshops and infrastructure.

Mining support - equipment maintenance, refurbishment and support services

Macmahon offers comprehensive equipment maintenance, refurbishment and support services for a wide range of mining equipment. Its facilities in Western Australia, Queensland and South Australia provide Macmahon with the ability to:

- (i) service and maintain equipment, full in frame rebuilds including components, and complete repairs in workshops and/or in-field;
- (ii) rapidly and efficiently deploy critical spares, parts and supplies to client locations; and
- (iii) train apprentices and employ a range of experienced tradespeople for rapid deployment to regional and remote sites.

Civil infrastructure

Macmahon offers a wide range of design, civil earthworks, mine site infrastructure packages, mine rehabilitation, and closure services to mine owners, including:

- (i) topsoil and overburden stripping;
- (ii) bulk earthworks;
- (iii) road design and construction;
- (iv) mine infrastructure and services;
- (v) train loading facilities;
- (vi) water infrastructure – dams, creek diversions, flood levies, and drainage structures;
- (vii) revegetation;
- (viii) rehabilitation monitoring and maintenance; and
- (ix) non-process infrastructure.

## Operating Locations

A summary of Macmahon's operating locations is contained below:

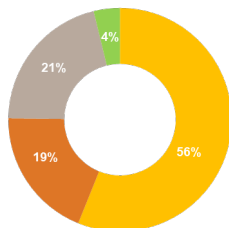


## Revenue Diversification

A summary of Macmahon's FY23 revenue split by commodity, client, region and activity is outlined below:

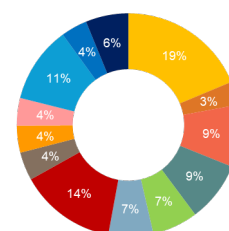
### Commodity

- Gold
- Copper/Gold
- Met Coal
- Other



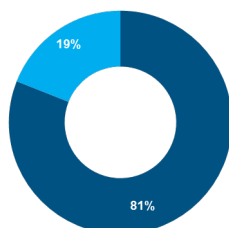
### Client

- AngloGold Ashanti
- Calidus
- Newcrest
- Red 5
- Silver Lake
- St Barbara
- PT AMNT
- PT Agincourt
- Anglo America
- Qmetco
- Q Coal
- BHP
- Other



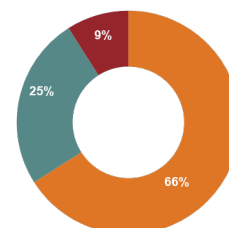
### Region

- Australia
- Indonesia



### Activity

- Surface
- Underground
- Mining Support Services & Civil Infrastructure



## 14.3 Directors of Macmahon

The directors of Macmahon as at the date of this Scheme Booklet are set out in the table below:

<p><b>Hamish Tyrwhitt – Independent, Non-Executive Chair</b></p>	<p>Mr Tyrwhitt joined the Board as an Independent Non-Executive Director on 1 October 2019 and was appointed as Chair in October 2023.</p> <p>Mr Tyrwhitt has over three decades of senior leadership experience in the global contract mining, engineering and construction sectors. He worked for Leighton Group (now CIMIC), at the time the world's largest contract miner, for 28 years including as Managing Director for Leighton Asia before leading its global operations as Group CEO from 2011 to 2014.</p> <p>Since leaving Leighton Group, Mr Tyrwhitt has held CEO and non-executive roles with construction and resources companies listed on the NASDAQ, Dubai, Singapore and London stock exchanges, and is currently an executive with Fortescue.</p> <p>Mr Tyrwhitt is a fellow of the Australian Academy of Technological Sciences and Engineering, a fellow of the Institution of Engineers Australia, a member of the Hong Kong Institute of Engineers, and a member of the College of Civil Engineers, Australia.</p>
<p><b>Michael Finnegan – Managing Director and Chief Executive Officer</b></p>	<p>Mr Finnegan was appointed as Managing Director on 1 October 2019 and has more than 25 years of experience in the mining industry, with the last 20 years primarily spent in senior line management positions.</p> <p>Mr Finnegan has a strong commercial and technical background and has spent time in operations on the east and west coasts of Australia, as well as a number of countries throughout Asia.</p> <p>Mr Finnegan has a Bachelor of Science.</p>

<p><b>Dharma Chandran – Independent, Non-Executive Director</b></p>	<p>Mr Chandran joined the Board as an Independent Non-Executive Director on 1 February 2024.</p> <p>Mr Chandran is an experienced executive and non-executive director with a background in professional services, law and the resources sectors in Australia and Asia.</p> <p>He has significant experience in the mining and civil contracting and construction sectors, including as the former Group Chief Human Resources Officer for mining and civil contractor Leighton Holdings, ABC and Dubai Financial Exchange listed Emaar Properties.</p> <p>Mr Chandran is a Non-Executive Director of the Committee for Economic Development of Australia, and he is also Chief People Officer of Toll Group.</p> <p>Mr Chandran holds a Bachelor of Commerce Degree majoring in Marketing, a Bachelor of Laws Degree and a Master of Commerce Degree majoring in Organisation and Management, all from the University of New South Wales. He is a member of the Australian Institute of Company Directors.</p>
<p><b>David Gibbs – Non-Executive Director</b></p>	<p>Mr Gibbs joined the Board as a Non-Executive Director on 13 July 2023.</p> <p>Mr Gibbs has 40 years of international experience in large-scale mining operations with copper and gold, diamonds, uranium, coal (thermal and coke), talc and nickel laterite resources. His experience includes underground and open pit mining across South Africa, Namibia, Papua New Guinea, Australia, Thailand, and Indonesia.</p> <p>He holds a Bachelor of Science (Hons) degree in Mining Engineering, a Mine Manager Certificate First Class for Western Australia, and a Mine Manager Certificate from South Africa. Mr Gibbs is also an Associate of The Royal School of Mines (ARSM) and a Chartered Engineer (C Eng).</p> <p>Mr Gibbs is currently a Director at PT Amman Mineral Internasional Tbk (IDX: AMMN).</p>
<p><b>Denise McComish – Independent, Non-Executive Director</b></p>	<p>Ms McComish joined the Board as an Independent Non-Executive Director on 1 March 2021.</p> <p>Ms McComish has extensive financial, corporate, ESG and board experience across multiple sectors. Denise was a partner with KPMG for 30 years, specialising in audit and advisory services, and held leadership positions including KPMG Australia board member and national mining leader.</p> <p>Ms McComish is a Non-Executive Director of Mineral Resources Limited, Webjet Limited, Gold Road Resources Limited, WA Electricity Generation and Retail Corporation (Synergy) and Beyond Blue Limited. Ms McComish has been a member of the Australian Takeovers Panel since 2013. She also serves as Advisory Board Chair for the ECU School of Business and Law and a WA Division Councillor for the Australian Institute of Company Directors.</p> <p>Ms McComish is a Fellow of Chartered Accountants Australia and New Zealand and a member of AICD and Chief Executive Women.</p> <p>In 2018, she was awarded an Honorary Doctorate in Business from Edith Cowan University.</p>
<p><b>Grahame White – Independent, Non-Executive Director</b></p>	<p>Mr White joined the Board as an Independent Non-Executive Director on 1 February 2024.</p> <p>Mr White is an experienced executive and non-executive director with a background in the construction, energy and resources sectors in Australia and Asia.</p> <p>Mr White brings a wealth of experience in engineering, mining and resources, infrastructure and civil contracting, strategy, project technical and commercial analysis, and project development and operations management. During his career, he has spearheaded business development across Hong Kong, Singapore, Thailand, Vietnam, Philippines, China, and Malaysia in the infrastructure and civil contracting sector.</p> <p>He is currently a Non-Executive Director of Metals X Limited.</p>



Mr White is a qualified mechanical engineer with a Bachelor of Engineering (Mechanical) from the University of NSW, and a member of the Australian Institute of Company Directors.

## 14.4 Financial information

As an ASX listed company and a “disclosing entity” under the Corporations Act, Macmahon is subject to regular reporting and disclosure obligations. These obligations require Macmahon to:

- (a) announce price sensitive information to the ASX as soon as Macmahon becomes aware of that information, subject to certain exceptions including information that is confidential; and
- (b) prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements.

Copies of the documents filed with the ASX (including financial statements) can be obtained free of charge on the ASX website ([www.asx.com.au](http://www.asx.com.au)).

## 14.5 Macmahon’s corporate structure

As at the date of this Scheme Booklet, Macmahon has twenty-nine (29) wholly owned subsidiaries, one (1) interest in a joint venture, and an 100% interest in one (1) trust (as set out in the below table). Upon the Schemes being implemented, Decmil will become a wholly owned subsidiary of Macmahon.

Subsidiary	Place of incorporation	Percentage interest	equity
Macmahon Contractors Pty Ltd	Australia	100%	
Macmahon Mining Services Pty Ltd Australia	Australia	100%	
Doorn-Djil Yoordaning Mining and Construction Pty Ltd	Australia	100%	
Macmahon Underground Pty Ltd	Australia	100%	
Macmahon Contracting International Pte Ltd	Singapore	100%	
PT Macmahon Indonesia	Indonesia	100%	
Macmahon Constructors Sdn Bhd	Malaysia	100%	
TMM Group Pty Ltd <sup>1</sup>	Australia	100%	
TMM Group (Consult) Pty Ltd Australia	Australia	100%	
TMM Group (IP) Pty Ltd <sup>1</sup>	Australia	100%	

Subsidiary	Place of incorporation	Percentage interest	equity
TMM Group (Operations) Pty Ltd	Australia	100%	
Macmahon East Pty Ltd	Australia	100%	
Macmahon Maintenance Masters Pty Ltd	Australia	100%	
Macmahon (Southern) Pty Ltd	Australia	100%	
Macmahon Africa Pty Ltd <sup>1</sup>	Australia	100%	
Macmahon Malaysia Pty Ltd <sup>1</sup>	Australia	100%	
Macmahon Sdn Bhd <sup>1</sup>	Malaysia	100%	
PT Macmahon Contractors Indonesia	Indonesia	100%	
Macmahon Singapore Pte Ltd <sup>1</sup>	Singapore	100%	
Macmahon Contractors Nigeria Ltd <sup>1</sup>	Nigeria	100%	
Macmahon Contractors Ghana Limited <sup>1</sup>	Ghana	100%	
Macmahon Botswana (Pty) Ltd <sup>1</sup>	Botswana	100%	
Strong Minds Strong Mines Pty Ltd	Australia	100%	
GF Holdings (WA) Pty Ltd	Australia	100%	
GBF Mining and Industrial Services Pty Ltd	Australia	100%	
GBF North Pty Ltd	Australia	100%	
GBF Number 6 Pty Ltd	Australia	100%	
MBMS Contractors Pty Ltd	Australia	100%	
PT Macmahon Mining Services	Indonesia	100%	

Subsidiary	Place of incorporation	Percentage interest	equity
<b>Interest in trusts</b>	<b>Place of establishment</b>	<b>Percentage interest</b>	<b>equity</b>
Macmahon Holdings Limited Employee Share Ownership Plans Trust	Australia	100%	
<b>Interests in Joint Ventures</b>	<b>Place of establishment</b>	<b>Percentage interest</b>	<b>equity</b>
Mahbys Fleet Rental Pty Ltd	Australia	50%	

**Notes:**

1. Entities were dormant for the financial year ended 30 June 2023.

#### 14.6 Interests of Macmahon Directors and Decmil Directors in Macmahon's Securities

The Macmahon Directors have a Relevant Interest in the following Macmahon Securities.

Director	Macmahon Shares	Percentage of issued Macmahon Shares <sup>1</sup>	Macmahon Share Rights (unquoted)	Macmahon Performance Rights	Macmahon Options
Hamish Tyrwhitt	829,268	0.04%	158,500	Nil	Nil
Michael Finnegan	5,020,008	0.23%	Nil	18,319,739	Nil
Dharma Chandran	Nil	Nil	Nil	Nil	Nil
David Gibbs	260,210	0.01%	200,210	Nil	Nil
Denise McComish	711,743	0.03%	141,816	Nil	Nil
Grahame White	500,000	0.02%	Nil	Nil	Nil

No Decmil Director has a Relevant Interest in any Macmahon Securities.

#### 14.7 Rationale for proposed acquisition of Decmil

The acquisition of Decmil is consistent with Macmahon's strategic focus of achieving continued earnings growth while diversifying earnings into the less capital-intensive civil infrastructure business. The acquisition offers a strategic fit, enhances and accelerates earnings diversification, with financial metrics that are compelling for Macmahon shareholders.

##### *Strategic Fit*

Decmil has a complementary service offering to Macmahon, providing integrated civil construction and infrastructure solutions to the resources, infrastructure and renewable industries across Australia. Its core operations add increased exposure for Macmahon to both the renewable and government infrastructure sectors which have a steady growth trajectory.

The Decmil business has established robust processes and operating systems, including holding the licenses to carry out a full range of road and bridge projects throughout Australia. Macmahon will leverage these to accelerate growth towards its long-term civil infrastructure revenue target of \$1 billion per annum, or one third of group revenue.

#### *Earnings Diversification*

The acquisition adds circa \$6 billion to Macmahon's existing civil pipeline of \$4 billion, and contributes an order book of circa \$450 million (as at 31 December 2023). This creates a more resilient business with less concentrated resource commodity exposure and provides a natural hedge to the cyclicity of contract mining. This gives access to non-mining civil construction, including renewables and government infrastructure projects, broadening Macmahon's east coast presence in Victoria and Queensland, with an opportunity to expand into New South Wales and South Australia.

#### *Compelling Financial Metrics*

The acquisition of Decmil will be earnings accretive (pre cost and revenue synergies) which is underpinned by the expected improved earnings of Decmil's civil construction business.

The acquisition value is also supported by a considerable property asset, substantial tax loss balance and franking credits that Macmahon expects to utilise over time. Combined with expected synergies, including unlocking Decmil's current balance sheet constraints, this will support Macmahon's goal of exceeding its 20% return on average capital employed target, recently increased from 15%.

### **14.8 Macmahon's intentions if the Schemes are implemented**

This Section sets out Macmahon's intentions in relation to Decmil, assuming the Schemes are implemented. The statements set out in this Section are statements of current intention only, which may change as new information becomes available, as circumstances change, or as Macmahon further develops its strategic focus and outlook.

#### **(a) Strategic review**

In addition to publicly available information, Macmahon and its advisers have reviewed limited due diligence materials made available to it by Decmil in connection with confidential due diligence enquiries. In the event the Schemes are implemented, Macmahon intends to initiate a full review of Decmil's operations, with Decmil's executive management, to identify key strategic growth opportunities for both Decmil and Macmahon.

#### **(b) Operations and growth**

If the Schemes are implemented, Decmil will become a wholly owned subsidiary of Macmahon. Macmahon intends to keep the Decmil branding, with the existing Macmahon civil business to merge with, and be rebranded, as Decmil.

Apart from the above, Macmahon does not intend to materially alter the operational structure of Decmil post-implementation of the Schemes. However, Macmahon intends to support Decmil to grow and capture new opportunities within Australia. Any material shift in Decmil's operations and growth profile following implementation of the Schemes will only be implemented following completion of the strategic review referred to above.

(c) **Employees**

Macmahon recognises that the Decmil's employees are an integral part, and key to the success, of the Decmil business.

Decmil will continue to be led by its current Chief Executive Officer, Rodney Heale with the existing Decmil senior management team to remain in leadership roles and support integration of the businesses.

Macmahon currently intends to retain Decmil's existing employees post implementation of the Schemes, subject to arrangements regarding Decmil's Board.

(d) **Delisting**

Macmahon will seek to remove Decmil from the official list of the ASX in accordance with the terms of the Schemes following the Schemes' successful implementation. It is expected that Decmil's Securities will be suspended from quotation on the Effective Date and that Decmil's removal from the official list of the ASX will occur on the Business Day following the Implementation Date.

(e) **General**

Other than as set out in this Section, Macmahon has no current intention to make major changes to, or dispose of any parts of, Decmil's business or redeploy any of Decmil's assets.

#### **14.9 Funding arrangements for the Scheme Consideration**

If the Schemes become Effective, Macmahon intends to fund the Scheme Consideration payable to Scheme Participants under the Schemes via a combination of third-party debt and equity funding.

Based on the number of Decmil Shares and Decmil RCPS on issue as at the date of this Scheme Booklet and the number of Decmil Performance Rights that will vest and convert prior to the Record Date, the maximum amount that may be required to be paid by Macmahon to fund the Scheme Consideration is approximately \$97,938,626.

Additionally, Macmahon is also required (as a Scheme Condition) to pay the Decmil Warrant Consideration to the Decmil Warrant Holders and the Decmil Option Consideration to the Decmil Optionholders in consideration for their cancellation, which in aggregate amounts to a further \$6,038,537. Certain of the Decmil Optionholders are Decmil Directors, who will not receive any consideration for the cancellation of their Decmil Options.

The total cash consideration payable by Macmahon under the Schemes of \$103,977,163 will be funded from existing cash and existing committed bank facilities, as follows:

- (a) existing cash, which as at 31 December 2023 totalled approximately \$200m (excluding the \$44m equipment sale of Dawson South Project process, as announced on 12 April 2024 with such cash inflows to be collected during FY24 and FY25); and
- (b) Macmahon's existing syndicated debt facility provided by HSBC which, as at 31 May 2024, is undrawn to the amount of \$70 million. Conditions precedent to the drawdown of funds from this facility are customary for a facility of this nature and have already been met.

The Schemes are not subject to any financing Scheme Condition.

#### **14.10 Regulatory approvals**

Except for the Conditions summarised at Section 17.2, Macmahon does not require any regulatory approvals to fulfil its obligations under the Scheme Implementation Deed or implement the Schemes.

#### **14.11 No other material information**

Other than as disclosed in this Section 14, there is no information regarding Macmahon's intentions regarding Decmil or the business, assets or operations of Decmil and funding of amounts payable in connection with the Schemes, that is material to the decision of a Decmil Securityholder in relation to the Schemes, being information that is within the knowledge of any Macmahon Director at the time of lodgement of this Scheme Booklet with ASIC, which is not disclosed in this Section 14 or elsewhere in this Scheme Booklet.

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## **15. POTENTIAL RISK FACTORS**

### **15.1 Overview**

In considering the Schemes, Decmil Securityholders should be aware that there are a number of risk factors, both general and specifically relating to Decmil, which may affect the future operating and financial performance of Decmil and the price and/or value of Decmil Shares and Decmil RCPS.

If the Schemes proceed, Scheme Participants will receive the Scheme Consideration, will cease to hold Decmil Securities and will also no longer be exposed to the risks set out in this Section 15 (and other risks to which Decmil may be exposed).

If the Schemes do not proceed, Decmil Securityholders will continue to hold Decmil Securities and continue to be exposed to risks associated with investment in Decmil.

In deciding whether to vote in favour of the Schemes, Decmil Securityholders should read this Scheme Booklet carefully and consider the following risk factors. These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Decmil Securityholders. In addition, this Section 15 is a summary only and does not purport to list every risk that may be associated with an investment in Decmil now or in the future.

There also may be additional risks and uncertainties not currently known to Decmil which may have a material adverse effect on Decmil's operating and financial performance and the value of Decmil Shares and Decmil RCPS. Whilst the Decmil Directors unanimously recommend that Decmil Securityholders vote in favour of the Schemes in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Schemes are in the best interests of Decmil Securityholders, Decmil Securityholders are encouraged to make their own independent assessment as to whether to vote in favour of the Schemes.

### **15.2 Risks to Decmil Shareholders if the Scheme does not proceed**

Decmil Securityholders should be aware that if the Schemes do not proceed, Decmil Securityholders will retain their Decmil Shares and Decmil RCPS and will not receive any form of Scheme Consideration. Decmil Securityholders may, in addition to the normal risks it faces, be exposed to the additional risks as described in Section 15.

If the Schemes do not proceed, and no Superior Proposal for Decmil is received, the Decmil Directors will consider a number of alternative strategies for the operation and ownership of Decmil's assets, as well as other growth initiatives. These alternatives would take time to implement.

If the Schemes are not implemented, then in order for Decmil to develop or enhance its project portfolio, it would need to raise additional funds, which may include an equity issue. There can be no assurance that such funding will be available on satisfactory terms, or at all. Further, any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If Decmil is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and limit new projects being taken on.

If the Schemes do not proceed, Decmil will continue to operate as a stand-alone company and remain listed on the ASX. Each Decmil Securityholder will retain their Decmil Securities and will not receive any Scheme Consideration. Decmil will still incur a relative proportion of the Transaction and other costs of the Schemes. In those circumstances, it is likely that Decmil's management would seek to continue to progress Decmil's business and continue to maximise value for Decmil Securityholders.

Unless Decmil Securityholders choose to sell their Decmil Securities on the ASX, Decmil Securityholders will continue to hold Decmil Securities and be exposed to both the risks (including those set out in this Section 15) and potential future benefits in retaining exposure to Decmil's business and assets. The Decmil Share and Decmil RCPS prices will also remain subject to market volatility and may fall in absence of a Superior Proposal.

### 15.3 Specific risks relating to an investment in Decmil

The price at which Decmil Shares and Decmil RCPS will trade on ASX can be affected by a range of external factors over which Decmil may not have any control. Key risks are discussed below.

<p><b>Potential funding issues</b></p>	<p>Decmil's ability to effectively implement its business strategy over time, may also depend in part on its ability to raise sufficient working capital. Decmil's capital requirements depend on numerous factors. There can be no assurance that any such equity or debt funding will be available to Decmil on favourable terms or at all. If adequate funds are not available on acceptable terms, Decmil may not be able to take advantage of opportunities or otherwise respond to competitive pressures.</p> <p>Decmil relies on surety bond providers or its primary bank to provide bonding facilities that allow Decmil to procure new work. As Decmil grows its revenue, it may need to find new bonding facilities which may not be available to Decmil on acceptable terms. If such bonding is not available on acceptable terms, Decmil may not be able to take advantage of growth opportunities.</p>
<p><b>Debt facilities</b></p>	<p>Decmil has a \$40 million multi-option facility with National Australia Bank, and surety bonding facilities with surety bond providers (together, <b>Debt Facilities</b>).</p> <p>Decmil is also subject to various covenants and obligations contained in its Debt Facilities. Decmil has complied with its obligations under those facilities to date, and forecast projections indicate that Decmil will continue to comply with those obligations going forward.</p> <p>However, if any of the covenants are breached, Decmil's lenders may cancel their commitments under the facilities and require all amounts payable to them under or in connection with the facilities to be repaid immediately.</p> <p>Further, Decmil and certain members of the Decmil Group has entered into the Bond Facility Agreement with Macmahon, pursuant to which Macmahon may (if requested by Decmil and approved by Decmil) arrange the issue of bonds required by counterparties to Decmil's operational contracts.</p> <p>If the Scheme Implementation Deed is terminated, the Bond Facility Agreement will terminate. Following this, Decmil would be required to pay the outstanding face value of any bonds issued under the Bond Facility Agreement which remained outstanding (and which had not expired or been replaced by Decmil with other bonds issued on behalf of Decmil under other facilities Decmil has in place) within 60 days of the date of termination of the Scheme Implementation Deed. Further information with respect to the Bond Facility Agreement is set out in Section 13.11.</p>



	<p>If Decmil is unable to repay or refinance its Debt Facilities or the amounts owing under the Bond Facility Agreement upon maturity or when they become repayable, Decmil may have to seek further equity funding, dispose of its assets, or enter into new debt facilities on less favourable terms and there is no guarantee it will be able to obtain further debt. These factors would materially affect Decmil's ability to continue to operate its business and its financial performance.</p>
<p><b>Future capital requirements</b></p>	<p>Any additional equity financing that Decmil may undertake in the future may dilute existing Decmil Shareholders or Decmil RCPS Holders. The terms of any additional debt financing, if available, may impose further restrictions on Decmil's financing and operating activities. Decmil's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to Decmil, will vary according to a number of factors, including stock market and industry conditions. There can be no assurance that Decmil will be able to obtain capital when required in the future, or that the terms and the time in which any such financing can be obtained will be acceptable to Decmil. This may have an adverse effect on Decmil's financial position and prospects.</p>
<p><b>Accreditations</b></p>	<p>Decmil and its subsidiaries rely upon various technical and financial accreditations to operate its business. These include safety accreditations, quality assurance standards, building licences, technical accreditations by State Main Roads agencies and various financial accreditations. Many of these accreditations are assessed and monitored by State and Federal government agencies on a regular basis. Any failure to maintain or comply with an accreditation can impact the eligibility of Decmil to participate in certain projects and/or sectors and this may have a material effect on the business.</p> <p>Many of the civil projects conducted by the Decmil Group are for State Government Roads authorities who reference the Decmil Group's financial capacity accreditation when awarding contracts. Currently Decmil and its subsidiaries have the highest Civil National Prequalification financial accreditation (F150+).</p>
<p><b>Going Concern</b></p>	<p>Decmil's Financial Report for the period ended 31 December 2023 includes a note on the financial condition of the Decmil Group and the possible existence of a material uncertainty about the Decmil Group's ability to continue as a going concern (<b>Going Concern Note</b>).</p> <p>The Going Concern Note stated that the Decmil Group incurred a loss after tax of \$1.8 million and had net operating cash outflows from operating activities of \$9.4 million. As at 31 December 2023, the Decmil Group has a net current liability of \$8.0 million.</p> <p>The Going Concern Note also stated that Decmil's Directors believed that it is reasonably foreseeable that the Decmil Group will continue as a going concern and that it is appropriate to adopt the going concern basis after consideration of the following factors:</p> <p>(a) the ability of the Directors and management to continue to manage its cash flows in line with its existing cash reserves and banking facilities to</p>

	<p>successfully execute its contracted projects in hand and win new work to operate within Decmil's cash flow forecast;</p> <p>(b) the Decmil Group could raise additional funds by accessing capital markets. This is evidenced by the issue of redeemable convertible preference shares during June and July 2023, which raised \$26.3 million;</p> <p>(c) the Decmil Group has access to other funding opportunities, such as debt and other hybrid funding instruments. As at 31 December 2023, there are undrawn facilities of \$29.4 million from several funders; and</p> <p>(d) the Decmil Group could sell off Homeground Village at Gladstone to generate additional cashflows for the business.</p>
<p><b>Effective management of contracts and the risk of dispute</b></p>	<p>Effective ongoing contract management seeks to ensure, among other things, appropriate project and customer selection and the effective management of customer expectations and contract terms. There is a risk that Decmil may fail to manage its existing contracts appropriately and may therefore be subject to disputes with customers regarding the payment of fees and liability for costs and delays. Such disputes can be costly, result in further liability to Decmil, absorb significant amounts of management time and damage customer relationships. Decmil may also experience payment defaults or delays, whether in conjunction with disputes or otherwise, leading to increased debt levels.</p>
<p><b>External factors that may impede operational activities</b></p>	<p>Decmil's activities are subject to numerous operational risks, many of which are beyond Decmil's control. Decmil's activities may be curtailed, delayed or cancelled as a result of factors such as adverse weather conditions, mechanical difficulties, shortages or increases in the costs of consumables, spare parts, plant and equipment, external services failure, industrial disputes and action, IT system failures, mechanical failures and compliance with governmental requirements. Industrial and environmental accidents could lead to substantial claims against Decmil for injury or loss of life, and damage or destruction to property, as well as regulatory investigations, penalties and the suspension of operations. The occurrence of any one or a combination of these events may have a material adverse effect on Decmil's performance and the value of its assets.</p>
<p><b>Climate Risk</b></p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of Decmil. The climate change risks particularly attributable to Decmil include:</p> <p>(a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. Decmil may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact Decmil and its profitability.</p>

	<p>While Decmil will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Decmil will not be impacted by these occurrences; and</p> <p>(b) climate change may cause certain physical and environmental risks that cannot be predicted by Decmil, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Decmil operates.</p>
<p><b>Tender processes and new contracts</b></p>	<p>Decmil's revenue is dependent on winning new contracts with acceptable terms and conditions. Decmil operates in increasingly competitive markets and it is difficult to predict whether and when Decmil will be awarded new contracts due to multiple factors influencing how clients evaluate potential service providers, such as accreditations, maintenance and safety standards, experience, reputation, client relationships and financial strength. Consequently, Decmil is subject to the risk of losing new awards to competitors which will adversely impact its business, results of operations and financial condition. Decmil's results of operations and cash flows may fluctuate from quarter to quarter depending on the timing and size of new contract awards. Decmil is also at risk from materially underestimating the cost of providing services, equipment or plant.</p>
<p><b>Inflation</b></p>	<p>The buoyant economy and demand for construction services and commodities is impacting the price of many construction components including steel, concrete and other items. While most of Decmil's contracts contain rise and fall clauses, those clauses generally reference publicly available cost indices which may not correspond to the price rises of cost inputs and as such the profitability of individual projects may be impacted.</p>
<p><b>Lump sum contracts</b></p>	<p>A portion of Decmil contracts are 'lump sum' in nature and to the extent costs exceed the contracted price, there is a risk these amounts may not be recovered. From time-to-time, variations to the planned scope occur or issues arise during the construction phase of a project, not anticipated at the time of bid. This may give rise to claims under the contract with the principal in the ordinary course of business. Where such claims are not resolved in the ordinary course of business, they may enter formal dispute and the outcome upon resolution of these claims may be materially different to the position taken by Decmil.</p>
<p><b>Competition Risk</b></p>	<p>Decmil's current and future potential competitors include companies with substantially greater resources. Decmil may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market shares. Such competition could adversely affect Decmil's growth prospects, operating results and financial performance.</p>
<p><b>Homeground Village occupancy</b></p>	<p>Any abatement in economic activity in the Gladstone region will result in a short-term diminution in the occupancy levels at the Homeground Village and lower levels of revenue and profit</p>

	than historically generated. Decmil expects that in the medium-term new opportunities will arise for Homeground Gladstone as energy prices rise and energy companies (gas, hydrogen, renewables) progress investment plans; however, the risk of volatility in the short term remains present.
<b>Insurance Risk</b>	Decmil faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. Although insurance is maintained in line with industry practice, no assurance can be given that such insurance will be available in the future on commercially reasonable terms or that any cover will be adequate and available to cover any or all claims.
<b>Safety</b>	For Decmil to continue working on engineering construction projects, a robust safety methodology needs to be in place. A serious safety incident or fatality may impact Decmil's finances, reputation and social licence to operate. This can affect Decmil by increasing its costs for carrying out work, increasing the time required to complete packages of work and impairing Decmil's ability to win new work.
<b>Labour costs and availability</b>	Decmil's ability to remain productive and competitive and to affect its planned growth initiatives depends on its ability to attract and retain skilled labour.  Tightening of the labour market in key regions due to a shortage of skilled labour, combined with a high industry turnover rate and growing number of competing employers for skilled labour, may inhibit Decmil's ability to hire and retain employees. Decmil is exposed to increased labour costs in markets where the demand for labour is strong. A shortage of skilled labour could limit Decmil's ability to grow its business or lead to a decline in productivity and an increase in training costs and adversely affect its safety record. Each of these factors could materially adversely impact its revenue and, if costs increase or productivity declines, its operating margins.
<b>Environmental Regulation</b>	Decmil is subject to environmental regulation in accordance with applicable state, territory or federal legislation and statutory requirements for the jurisdictions in which it operates. Decmil aims to continually improve its environmental performance.

#### 15.4 General relating to an investment in Decmil

The operating and financial performance of Decmil is (or is likely to be) influenced by the general business and economic variables that impact upon all entities listed on a stock exchange including changes in business and economic factors, such as interest rates, exchange rates, inflation, changes in national demographics, changes in governmental policy and changes to accounting or reporting standards.

<b>Economic</b>	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Decmil's operations, as well as on its ability to fund those activities.
<b>Market conditions</b>	Share market conditions may affect the value of the quoted Decmil Securities regardless of Decmil's operating

	<p>performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>(a) general economic outlook;</li> <li>(b) introduction of tax reform or other new legislation;</li> <li>(c) interest rates and inflation rates;</li> <li>(d) changes in investor sentiment toward particular market sectors;</li> <li>(e) the demand for, and supply of, capital; and</li> <li>(f) terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in the construction sector in particular. Neither Decmil nor the Directors warrant the future performance of Decmil or any return on an investment in Decmil.</p>
<b>Litigation risks</b>	<p>Decmil is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, Decmil may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Decmil's operations, financial performance and financial position.</p>
<b>Dividends</b>	<p>Any future determination as to the payment of dividends by Decmil, including those that are payable to Decmil RCPS Holders, will be at the discretion of the Directors and will depend on the financial condition of Decmil, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by Decmil.</p> <p>If a Decmil RCPS dividend is not paid, it will accumulate. Dividends will not be paid to the holders of Decmil Shares in situations where Decmil RCPS Holders are owed dividend payments by Decmil.</p> <p>However, Decmil is intending to hold the amount of cash equal to each years' dividend amount in advance to ensure that each of the dividend payments for that year are paid in cash rather than cumulating. It is intended that whenever a dividend is paid in cash, the relevant bank account will be immediately replenished with an equivalent amount to ensure that at all times there is at least the next 12 months' worth of dividend payments on deposit in advance. In addition, that bank account will have an attaching irrevocable directive that the funds deposited can only be disbursed for the purpose of paying the Decmil RCPS semi-annual dividend payments.</p>
<b>Taxation</b>	<p>The acquisition and disposal of Decmil Shares and Decmil RCPS will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in Decmil are urged to obtain independent financial advice about the consequences of</p>

	acquiring Decmil Shares or Decmil RCPS from a taxation viewpoint and generally.
<b>Reliance on key personnel</b>	The responsibility of overseeing the day-to-day operations and the strategic management of Decmil depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on Decmil if one or more of these employees cease their employment.
<b>Economic conditions and other global or national issues</b>	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on Decmil's operations and financial performance, including Decmil's construction activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of Decmil and its market valuation regardless of its actual performance.</p>
<b>Technology and Information Systems</b>	<p>Decmil relies on the effective and efficient operation of information technology, software systems, communications technology and other systems and equipment for its operations, including technology and systems provided by third parties. If any of these systems, software or technologies failed to operate effectively, or new system implementations or significant upgrades are required, Decmil could suffer interruption to its services and loss of data which could lead to financial loss and damage to its reputation.</p> <p>This may be as a result of issues including hardware, software or system failures, computer viruses, third party service failures, cyber-attacks or other cyber incidents. Further, failure of Decmil's disaster recovery arrangements to operate effectively could also result in financial loss and damage to the reputation of Decmil.</p>



## 15.5 Specific risks associated with the implementation of the Schemes

The following risks have been identified as being key risks specific to implementation of the Schemes.

<b>Implementation of the Schemes</b>	<p>The Schemes are subject to various Scheme Conditions that must be satisfied or waived (if capable of waiver) in order for the Schemes to be implemented. These Scheme Conditions are outlined in Section 17.2 and set out in full in clause 2.1 of the Scheme Implementation Deed.</p> <p>The failure of a Scheme Condition to be satisfied or waived (if capable of waiver) may also give rise to a right of either Decmil or Macmahon to terminate the Scheme Implementation Deed.</p> <p>The Scheme Conditions include approval by the Court, Decmil Securityholders, and Regulatory Approvals. There is the risk that the Court may not approve the Schemes or may only be willing to approve the Schemes subject to conditions that Decmil/Macmahon (as applicable) are not prepared to accept. There is also a risk that some or all of the approvals from Decmil Securityholders, the Court approvals or regulators required for the Schemes to proceed may be delayed.</p>
<b>Termination rights</b>	<p>Decmil and Macmahon each have the right to terminate the Scheme Implementation Deed in the circumstances described in Section 18.8. As such, there is no certainty that the Scheme Implementation Deed will not be terminated before the Schemes are implemented.</p> <p>If the Scheme Implementation Deed is terminated, Decmil can provide no assurances that the Decmil Board will be able to find a party willing to offer an equivalent or greater price for Decmil Securities than the price to be paid under the terms of the Scheme Implementation Deed and the Schemes.</p>
<b>Transaction and other costs</b>	<p>Transaction costs incurred (or which are expected to be incurred) by Decmil in relation to the successful implementation of the Schemes are currently estimated at approximately \$2,616,046 (exclusive of GST), comprising adviser, legal, accounting, expert fees, and various other costs. Refer to Section 19.17 for further details.</p>
<b>A Superior Proposal for Decmil may yet emerge</b>	<p>It is possible that a Superior Proposal for Decmil, which is more attractive for Decmil Securityholders than the Schemes, may materialise in the future. The implementation of the Schemes would mean that Decmil Securityholders would not obtain the benefit of any such proposal.</p> <p>The Decmil Board is not currently aware of any such proposal and notes that since Decmil and Macmahon announced the Schemes, there has been a significant period of time and ample opportunity for an alternative proposal for Decmil which provides a different outcome for Decmil Securityholders to emerge.</p> <p>Since the Announcement Date, no alternative proposal has emerged and the Decmil Directors have decided that the Schemes are the best option available at the date of this Scheme Booklet.</p>
<b>Tax consequences</b>	<p>If the Ordinary Scheme proceeds, there may be tax consequences for Ordinary Scheme Shareholders which may</p>

<b>for Ordinary Scheme Shareholders</b>	include tax payable on any gain on the disposal of Decmil Shares. However, Ordinary Scheme Shareholders should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to Section 16 for a summary of potential taxation implications.
<b>Tax consequences for RCPS Scheme Holders</b>	If the RCPS Scheme proceeds, there may be tax consequences for RCPS Scheme Holders which may include tax payable on any gain on the disposal of Decmil RCPS. However, RCPS Scheme Holders should seek their own professional advice regarding the individual tax consequences applicable to them. Refer to Section 16 for a summary of potential taxation implications.
<b>Rights, obligations and break fee under Scheme Implementation Deed</b>	Under the Scheme Implementation Deed entered into between Decmil and Macmahon, a Reimbursement Fee of \$979,386 may become payable by either party in certain circumstances (refer to Section 18.7 for further details). The Scheme Implementation Deed also sets out various other rights and obligations of Decmil and Macmahon in relation to the Schemes.
<b>Other risks</b>	Additional risks and uncertainties not currently known to Decmil may also have a material adverse effect on Decmil's business and the information set out above does not purport to be, nor should it be construed as representing, an exhaustive list of the risks of Decmil.



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## **16. AUSTRALIAN TAXATION IMPLICATIONS**

### **16.1 Introduction**

Set out below is a summary of the general Australian tax consequences for Decmil Shareholders and Decmil RCPS Holders as a result of the implementation of the Schemes.

The information contained within this summary is of a general nature only. It does not constitute specific tax advice and should not be relied upon as such. All Decmil Shareholders and Decmil RCPS Holders should seek independent professional advice on the consequences of the Schemes becoming Effective, based on their particular circumstances.

This summary is based on the provisions of the Income Tax Assessment Act 1936 (Cth) (ITAA 36), the Income Tax Assessment Act 1997 (Cth) (ITAA 97) and the Tax Administration Act 1953 (Cth) (TAA 53) as at the date of this Scheme Booklet.

This summary considers the following Australian tax implications of the Schemes:

- (a) the Australian income tax consequences of the disposal of Decmil Shares and Decmil RCPS Holders under the Schemes; and
- (b) certain stamp duty and GST implications.

This summary applies to Australian tax resident and non-resident Decmil Securityholders who hold their Decmil Shares or Decmil RCPS on capital account. The types of Decmil Securityholders considered in this outline are limited to individuals, companies (other than life insurance companies), trusts and complying superannuation funds. However, this summary will not apply to Decmil Securityholders who:

- (a) hold their Decmil Securities on revenue account (such as trading entities) or as trading stock;
- (b) are non-residents that hold their Decmil Securities in connection with a business carried on through a permanent establishment in Australia;
- (c) acquired their Decmil Securities pursuant to an employee share plan of Decmil;
- (d) are under a legal disability;
- (e) are temporary residents of Australia for Australian taxation purposes;
- (f) have been a dual resident for tax purposes during the period they owned their Decmil Security;
- (g) may be subject to special tax rules such as partnerships, banks, insurance companies or tax-exempt organisations;
- (h) are subject to the investment manager regime in subdivision 842-I of the ITAA 1997 in relation to their Decmil Securities; or
- (i) are subject to the taxation of financial arrangements rules in Division 230 of the ITAA 1997 in relation to gains and losses on their Decmil Securities.

## 16.2 Disposal of Decmil Securities for Australian tax residents

The disposal of Decmil Securities by a Decmil Securityholder will trigger a capital gains tax (CGT) event A1. The CGT event should occur when the change of ownership of Decmil Securities occurs. Under the Schemes, the change of ownership should occur on the relevant Implementation Date.

Broadly, a Decmil Securityholder will:

- (a) make a "capital gain" if the capital proceeds from the disposal of their Decmil Securities exceeds the cost base of their Decmil Securities; or
- (b) make a "capital loss" if the capital proceeds from the disposal of their Decmil Securities are less than the reduced cost base of their Decmil Securities.

Decmil Securityholders who make a capital gain on the disposal of their Decmil Securities will be required to include the net capital gain (if any) for the income year in their assessable income.

A capital loss realised on the disposal of Decmil Securities by a Decmil Securityholder may be used to offset other capital gains derived by the same Decmil Securityholder in the income year in which the capital loss is realised or may be carried forward to offset capital gains derived by the Decmil Securityholder in future income years.

Specific capital loss recoupment rules apply to companies and trusts to restrict their ability to utilise capital losses in future years in some circumstances. Decmil Securityholders should obtain their own tax advice in relation to the operation of these rules.

### *Capital Proceeds*

The capital proceeds for the CGT event arising from the disposal of Decmil Securities under the Schemes should consist of the money received, or entitled to be received, by a Decmil Securityholder. Accordingly, the capital proceeds should include:

- (a) the Ordinary Scheme Consideration (being \$0.30 per Decmil Share) received under the Ordinary Scheme; and
- (b) the RCPS Scheme Consideration (being \$0.343 per Decmil RCPS) received under the RCPS Scheme.

### *Cost base*

The cost base and reduced cost base of Decmil Securities should generally include the amount paid, or the market value of any property given, to acquire the Decmil Securities, plus any incidental costs of acquisition (e.g. brokerage fees and stamp duty). The cost base of each Decmil Securities will depend on the individual circumstances of each Decmil Securityholder respectively.

Decmil Securities acquired in different transactions may have different cost bases and therefore capital gains may arise in respect of some Decmil Securities while capital losses may arise in respect of other Decmil Securities.

### *CGT discount*

Generally, Australian resident Decmil Securityholders who are individuals, trusts, and complying superannuation funds that have held their Decmil Securities for at least 12 months at the time of disposal should be entitled to a CGT discount in calculating the amount of capital gain on disposal of their Decmil Securities.

There is no CGT discount available for Decmil Shareholders that are taxed as companies or Decmil Shareholders who have held their Decmil Securities for less than 12 months or chose to index the cost base of their Decmil Securities.

The CGT discount is applied after any available capital losses or revenue losses have been offset to reduce the capital gain.

The applicable CGT discount which would reduce a capital gain arising from the disposal of Decmil Securities is 50% in the case of individuals and trusts or 33 1/3% in the case of Australian complying superannuation entities.

Where a trust has utilised the CGT discount, the availability of the discount ultimately depends on the tax profile of the entity to whom the income of the trust estate is distributed. As the rules relating to discount capital gains for trusts are complex, Decmil recommends that Decmil Securityholders who are trustees seek their own independent advice on how the CGT discount provisions should apply to them and the trusts' beneficiaries.

The net capital gain for the income year should be included in the Shareholder's assessable income and should be subject to tax at the Shareholder's applicable rate of tax.

Where a net capital loss arises in the income tax year of disposal and is not offset against other net capital gains in the same income year, the net capital loss may be carried forward to offset capital gains made by Decmil Securityholders in future income years, subject to satisfaction of the loss recoupment tests, namely the Continuity of Ownership Test or the Business Continuity Test. Decmil Securityholders should obtain their own tax advice in relation to the operation of these rules.

### **16.3 Foreign Resident Capital Gains Withholding**

The foreign resident capital gains withholding regime can impose an obligation on a purchaser of shares to withhold an amount equal to 12.5% of the purchase price for the shares (**FRCGW Amount**) and remit that amount to the ATO. This withholding requirement can apply to transactions involving the acquisition of certain indirect interests in Australian real property from relevant non-residents.

Broadly, a non-resident Decmil Securityholder's Decmil Securities would constitute an 'indirect Australian real property interest' if both of the following tests are satisfied:

- (a) Non-portfolio interest test: where a Decmil Securityholder, and its associates, held 10% or more of the issued capital of Decmil at the Implementation Date (or throughout a 12-month period that began no earlier than 24 months before the Implementation Date and ended no later than the Implementation Date); and

- (b) Principal asset test: where the sum of the market value of Decmil's assets that are taxable Australian real property (broadly, direct and indirect interests in Australian real property, including leases of Australian land) exceeds the sum of the market value of its assets that are not taxable Australian real property.

Decmil and Macmahon are working to agree a process with the ATO to determine the applicable withholding tax obligations. On the understanding that the second condition above should not be satisfied, Decmil Securities should not constitute indirect Australian real property interests and it is not anticipated any FRCGW Amount will be withheld from Scheme Consideration. Notwithstanding, in the absence of confirmation from the ATO, Macmahon may require certain Decmil Securityholders to provide a declaration confirming they are either Australian tax residents or the Decmil Securities do not constitute Australian real property.

The FRCGW Amount is not a final tax and can be credited against the actual tax liability of a non-resident Decmil Securityholder, with any excess refunded.

#### **16.4 Disposal of Decmil Securities for Non-Australian tax resident Decmil Securityholders**

Generally, for Australian income tax purposes, non-Australian tax resident Decmil Securityholders who have not used their Decmil Securities at any time in carrying on a business through a permanent establishment in Australia should only be subject to Australian CGT if the Decmil Securities would constitute an 'indirect Australian real property interest' as defined above.

On the understanding that Decmil Securities should not constitute indirect Australian real property interests non-Australian tax resident Decmil Securityholders should not be subject to Australian CGT on disposal of the Decmil Securities. However, as noted above in Section 16.3, certain Decmil Securityholders may be required to provide confirmation they are either Australian tax residents or the Decmil Securities do not constitute Australian real property.

Non-Australian tax resident Decmil Securityholders should seek independent tax advice as to the taxation implications of the Schemes being implemented in their own country of residence and in Australia.

#### **16.5 GST**

There should be no GST payable in respect of the sale of Decmil Securities under the Schemes. Where a Decmil Securityholder is not registered or required to be registered for GST, the sale will be outside the scope of the GST. Otherwise, the sale of Decmil Securities will be an input taxed financial supply. Where this is the case, Decmil Securities should obtain independent advice in relation to whether there is an ability to claim any input tax credits for the costs (such as legal or professional fees) associated with the disposal of Decmil Securities.

#### **16.6 Stamp Duty**

No stamp duty should be payable by Decmil Securityholders on the disposal of Decmil Securities in accordance with the Schemes.

Any stamp duty payable in connection with the transfer of Decmil Securities to Macmahon, must be paid by Macmahon.

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## 17. IMPLEMENTING THE SCHEMES

This Section provides an overview of the Scheme Conditions, the Scheme Meetings, and other steps required to implement the Schemes.

### 17.1 Actions already undertaken by Decmil and Macmahon

Decmil and Macmahon entered into the Scheme Implementation Deed on 15 April 2024 in which they agreed (among other things) their respective obligations in implementing the Schemes. The key terms of the Scheme Implementation Deed not otherwise addressed in this Section, are summarised in Section 18. A full copy of the Scheme Implementation Deed was released on ASX on 16 April 2024 and is available on Decmil's website ([www.decmil.com](http://www.decmil.com)). Since signing the Scheme Implementation Deed, Decmil and Macmahon have undertaken the following activities to progress the implementation of the Schemes.

#### (a) Appointment of Independent Expert

Decmil commissioned the Independent Expert, Nexia Perth Corporate Finance Pty Ltd, to prepare a report on whether the Schemes are in the best interest of Decmil Securityholders.

The Independent Expert has concluded that, in the absence of a Superior Proposal, the Schemes are fair and reasonable and in the best interests of Decmil Securityholders.

The Independent Expert's Report is set out in Annexure A.

#### (b) Lodgement of draft Scheme Booklet with ASIC

On 4 June 2024, Decmil lodged a draft of this Scheme Booklet with ASIC pursuant to section 411(2)(b) of the Corporations Act. On 25 June, ASIC registered the Scheme Booklet for the purposes of section 412(6) of the Corporations Act.

Decmil has requested ASIC provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Schemes. If ASIC provides that statement, it will be produced to the Court at the time of the Second Court Hearing.

Decmil has also lodged a copy of this Scheme Booklet with ASX.

Neither ASIC, ASX nor any of their officers takes any responsibility for the contents of this Scheme Booklet.

#### (c) First Court Hearing

On 24 June 2024, the Supreme Court of Western Australia ordered Decmil to convene a meeting of Decmil Shareholders to consider and vote on the Ordinary Scheme and a meeting of Decmil RCPS Holders to consider and vote on the RCPS Scheme.

The Ordinary Scheme Meeting to consider the Ordinary Scheme will be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 on 31 July 2024. The Ordinary Scheme Meeting will commence at 10:00am (AWST).

The RCPS Scheme Meeting to consider the RCPS Scheme will be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000 on 31 July. The RCPS

Scheme Meeting will commence at the later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting.

For the Ordinary Scheme to proceed, the Ordinary Scheme Resolution must be passed at the Ordinary Scheme Meeting by the Requisite Majority.

For the RCPS Scheme to proceed, the RCPS Scheme Resolution must be passed at the RCPS Scheme Meeting by the Requisite Majority.

Details of how to vote at the Scheme Meetings are set out at the beginning of this Scheme Booklet in the Section entitled “Meeting details and how to vote”.

A copy of the Notice of Ordinary Scheme Meeting is set out in Annexure F.

A copy of the Notice of RCPS Scheme Meeting is set out in Annexure G.

The fact that under section 411(1) of the Corporations Act the Court ordered on 24 June 2024 that meetings of Decmil Securityholders be convened by Decmil to consider and vote on the Schemes and has approved the Scheme Booklet does not mean that the Court:

- (i) has formed any view as to the merits of the proposed Schemes or as to how Decmil Securityholders should vote (on this matter, Decmil Securityholders must reach their own decision); and
- (ii) has prepared, or is responsible for, the content of this Scheme Booklet.

## 17.2 Scheme Conditions

Implementation of the Schemes are subject to the satisfaction (or if applicable, waiver) of the Scheme Conditions. The Scheme Conditions are set out in clause 2.1 of the Scheme Implementation Deed.

Certain of the Scheme Conditions the Scheme Implementation Deed have already been satisfied. The Scheme Conditions that remain outstanding as at the date of this Scheme Booklet are set out in the table below.

	Scheme Condition
1.	<b>ASIC and ASX approvals:</b> before 8.00am on the Second Court Date, ASIC and ASX issue or provide such consents, approvals, modifications or waivers as are necessary or which Macmahon and Decmil agree are desirable to implement the Schemes, either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably), and such consent, approval or other act has not been withdrawn, cancelled or revoked as at 8.00am on the Second Court Date.
2.	<b>Other approvals:</b> before 8:00am on the Second Court Date all Regulatory Approvals other than those referred to in item 1 of this table, which are required by law, or by any Government Agency, or which the parties agree are desirable, to implement the Schemes have been issued or received (as applicable) either unconditionally or on conditions that do not impose unduly onerous obligations upon either party (acting reasonably) and such Regulatory Approvals remain in full force and effect in all respects and have not been withdrawn, cancelled or revoked as at

	<b>Scheme Condition</b>
	8.00am on the Second Court Date.
<b>3.</b>	<b>No restraints:</b> no judgment, order, decree, statute, law, ordinance, rule of regulation, or other temporary restraining order, preliminary or permanent injunction, restraint or prohibition, entered, enacted, promulgated, enforced or issued by any court or other Government Agency of competent jurisdiction remains in effect as at 8.00am on the Second Court Date that prohibits, materially restricts, makes illegal or restrains the completion of the Schemes.
<b>4.</b>	<b>Decmil Shareholder approval:</b> Decmil Shareholders (other than Excluded Shareholders) approve the Ordinary Scheme at the Ordinary Scheme Meeting by the Requisite Majorities under the Corporations Act.
<b>5.</b>	<b>Decmil RCPS Holder approval:</b> Decmil RCPS Holders (other than Excluded RCPS Holders) approve the RCPS Scheme at the RCPS Scheme Meeting by the Requisite Majorities under the Corporations Act.
<b>6.</b>	<b>Independent Expert's Report:</b> the Independent Expert's Report concludes that each of the Ordinary Scheme and the RCPS Scheme are in the respective best interests of Decmil Shareholders and Decmil RCPS Holders (as applicable) and, upon consideration of all available relevant information from time to time, the Independent Expert does not change that conclusion or withdraw its report prior to 8.00am on the Second Court Date.
<b>7.</b>	<b>Court approval of the Ordinary Scheme:</b> the Court makes orders under section 411(4)(b) of the Corporations Act approving the Ordinary Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to the parties acting reasonably.
<b>8.</b>	<b>Court approval of the RCPS Scheme:</b> the Court makes orders under section 411(4)(b) of the Corporations Act approving the RCPS Scheme and any conditions imposed by the Court under section 411(6) of the Corporations Act are acceptable to the parties acting reasonably.
<b>9.</b>	<b>No Decmil Prescribed Event:</b> from the date of the Scheme Implementation Deed until 8.00am on the Second Court Date, no Decmil Prescribed Event occurs.
<b>10.</b>	<b>No Decmil Material Adverse Change:</b> from the date of the Scheme Implementation Deed until 8.00am on the Second Court Date, no Decmil Material Adverse Change occurs.
<b>11.</b>	<b>No breach of Decmil Representations and Warranties:</b> the Decmil Representations and Warranties are true and correct in all material respects as at the date of the Scheme Implementation Deed and as at 8:00am on the Second Court Date.
<b>12.</b>	<b>No breach of Macmahon Representations and Warranties:</b> the Macmahon Representations and Warranties are true and correct in all material respects as at the date of the Scheme Implementation Deed and as at 8:00am on the Second Court Date.
<b>13.</b>	<b>Material contract consents:</b> on or before 8:00am on the Second Court Date, Decmil has received a copy of each consent or waiver required under any Material Contract to the change of control of Decmil resulting from the Transaction, and such consents or waivers have not been withdrawn, suspended or revoked.

For the Schemes to be implemented, each Scheme Condition must be satisfied by the due date (if any) fixed for its satisfaction as set out in the above table (or otherwise waived to the extent it is capable of waiver).

As at the date of this Scheme Booklet, Decmil is not aware of any circumstances that would cause the Scheme Conditions to not be satisfied. Decmil Securityholders will receive an update on the status of the Scheme Conditions at the Scheme Meetings.

Decmil will also announce to ASX any relevant matter that affects the Schemes, or the likelihood of a Scheme Condition being satisfied or not being satisfied, in accordance with Decmil's continuous disclosure obligations. These details will be published on ASX's website ([www.asx.com.au](http://www.asx.com.au)) and will also appear on Decmil's website ([www.decmil.com](http://www.decmil.com)).

### **17.3 Court approval**

In accordance with section 411(4)(b) of the Corporations Act, in order to become Effective, the Schemes (with or without modification) must be approved by an order of the Court. If the Schemes are approved at the Scheme Meetings, Decmil intends to apply to the Court on the Second Court Date (expected to be 5 August 2024) for the necessary orders to give effect to the Schemes.

The Court may refuse to grant the orders referred to above even if the Schemes are approved by the Requisite Majority of Decmil Securityholders.

Each Decmil Shareholder or Decmil RCPS Holder (as applicable) has the right to appear at Court at the hearing of the application by Decmil for orders approving the Ordinary Scheme or RCPS Scheme (as applicable). Any Decmil Securityholder who wishes to object to the Schemes at that Court hearing or make a complaint to ASIC about the Schemes should note that the Court hearing for approval of the Schemes is expected to be held on 5 August 2024. The Court has an overriding discretion regarding whether or not to approve the Schemes, even if the Schemes are approved by the Requisite Majority of Decmil Securityholders at the Scheme Meetings.

### **17.4 Scheme Meetings**

The Court has ordered that Decmil convene the Scheme Meetings for the purposes of the Decmil Securityholders voting on the Schemes. The order of the Court to convene the Scheme Meetings is not, and should not be treated as, an endorsement by the Court of (or any other expression of opinion by the Court on) the Schemes.

For the Ordinary Scheme to proceed, the Ordinary Scheme Resolution must be passed at the Ordinary Scheme Meeting by the Requisite Majority.

For the RCPS Scheme to proceed, the RCPS Scheme Resolution must be passed at the RCPS Scheme Meeting by the Requisite Majority.

### **17.5 Steps after approval of the Schemes by Decmil Securityholders but before the Second Court Date**

If the Requisite Majority of Decmil Securityholders approve the Schemes at the Scheme Meetings, Decmil will, as soon as possible after the Scheme Meetings are held, announce the results of the Decmil Securityholders' votes to ASX and will publish the results on Decmil's website ([www.decmil.com](http://www.decmil.com)).



## 17.6 Steps after Court approval at the Second Court Hearing

Decmil and Macmahon have agreed that, if the Court makes orders approving the Schemes, Decmil and Macmahon will take or procure the taking of the steps required for the Schemes to proceed, including:

### (a) Record Date

Decmil Securityholders will be entitled to receive the Scheme Consideration under the Schemes if they are registered as holders of Decmil Shares and/or Decmil RCPS at 5.00pm (AWST) on the Record Date. The Record Date is expected to be 8 August 2024.

As from the Record Date (and other than for Macmahon following the Implementation Date), the Decmil Share Register and Decmil RCPS Register will close for transfers and all certificates and holding statements for Decmil Shares and Decmil RCPS. Each entry on the Decmil Share Register and Decmil RCPS Register at 5.00pm (AWST) on the Record Date will cease to have any effect other than as evidence of entitlement to the Scheme Consideration.

### (b) Effective Date

If the Court approves the Schemes, Decmil will (pursuant to section 411(10) of the Corporations Act) lodge with ASIC the office copy of the Court orders approving the Schemes. Decmil intends to lodge the office copy of the Court orders with ASIC on the Effective Date, which is expected to be 6 August 2024.

If the Scheme Conditions are satisfied or waived, the Schemes will legally come into effect on the Effective Date.

If the Schemes have not become Effective or the relevant Scheme Conditions have not been satisfied or waived by 15 October 2024, or such later date as Decmil and Macmahon agree in writing, the Schemes will lapse and be of no further force or effect.

### (c) Suspension of trading of Decmil Shares and Decmil RCPS

Decmil will apply to ASX for suspension of trading of Decmil Shares and Decmil RCPS on ASX after the close of trading on the Effective Date. It is expected that the suspension will commence on the first Business Day after the day on which Decmil notifies ASX of the Schemes becoming Effective.

### (d) Transfer of Decmil Shares and Decmil RCPS

If the Schemes become Effective, on the Implementation Date:

- (i) all Decmil Shares held by Decmil Shareholders will be transferred to Macmahon, without any further action required by Decmil Shareholders;
- (ii) all Decmil RCPS held by Decmil RCPS Holders will be transferred to Macmahon, without any further action required by Decmil RCPS Holders;
- (iii) Decmil will enter the name of Macmahon into the Decmil Share Register in respect of the Decmil Shares and Decmil RCPS; and

- (iv) Decmil will become a wholly-owned subsidiary of Macmahon and the Decmil Board will be reconstituted so that it comprises persons nominated by the Macmahon Board.

(e) **De-listing of Decmil**

Decmil will apply for termination of the official quotation of Decmil Shares and Decmil RCPS and have itself removed from the official list of ASX. It is anticipated that this will occur on the Business Day immediately after the Implementation Date.

## **17.7 Warranties by Decmil Securityholders under the Schemes**

The effect of the Ordinary Scheme is that all Decmil Shareholders, including those who vote against the Ordinary Scheme and those who do not vote, will be deemed to have warranted to Decmil, both in its own right and for the benefit of Macmahon, that their Decmil Shares are fully paid and not subject to any of the encumbrances specified in the Ordinary Scheme. The terms of the warranty are set out in clause 6.4 of the Ordinary Scheme. The Ordinary Scheme of Arrangement is set out in Annexure B.

The effect of the RCPS Scheme is that all Decmil RCPS Holders, including those who vote against the RCPS Scheme and those who do not vote, will be deemed to have warranted to Decmil, both in its own right and for the benefit of Macmahon, that their Decmil RCPS are not subject to any of the encumbrances specified in the RCPS Scheme. The terms of the warranty are set out in clause 6.4 of the RCPS Scheme. The RCPS Scheme of Arrangement is set out in Annexure C.

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## **18. KEY TERMS OF THE SCHEME IMPLEMENTATION DEED**

Decmil and Macmahon entered into the Scheme Implementation Deed on 15 April 2024.

The Scheme Implementation Deed sets out the obligations of Decmil and Macmahon in relation to the Schemes.

The Decmil Directors consider that the Scheme Implementation Deed was entered into on arm's length commercial terms having regard to the fact that Decmil undertook an assessment of any alternative strategic options available to it.

In making the above statement, the Decmil Directors note that Decmil Securityholders are being given the opportunity to consider and vote on whether the Transaction is implemented at the Scheme Meetings.

This Section sets out a summary of the key terms and conditions of the Scheme Implementation Deed that are not otherwise addressed in this Scheme Booklet.

### **18.1 Scheme Conditions under the Scheme Implementation Deed**

The Schemes are subject to the fulfilment or, in certain cases, waiver of the Scheme Conditions. Refer to Section 17.2 for further details.

### **18.2 No-shop restriction**

The Scheme Implementation Deed includes exclusivity arrangements which apply from the date of the Scheme Implementation Deed until the earlier of 15 October 2024, the Implementation Date or termination of the Scheme Implementation Deed (**Exclusivity Period**).

During the Exclusivity Period, Decmil must not, and must procure that each of the Decmil Directors and Decmil Senior Executives do not, directly or indirectly:

- (a) solicit, invite, encourage or initiate any Competing Proposal with any third party; or
- (b) assist, encourage, procure or induce any person to do any of the things referred to in Section 18.2(a) above on its behalf.

### **18.3 No-talk restriction**

Subject to a fiduciary exception, during the Exclusivity Period, Decmil must not, and must procure that each of the Decmil Directors or Decmil Senior Executives do not, directly or indirectly:

- (a) enter into facilitate, participate in or continue any negotiations or discussions with any third party in relation to a Competing Proposal or any potential Competing Proposal;
- (b) negotiate, accept or enter into, or offer or agree to negotiate, accept or enter into, any agreement, arrangement or understanding regarding a Competing Proposal;

- (c) communicate to any person an intention to do anything referred to in the preceding paragraphs in this Section; or
- (d) assist, encourage, procure or induce any person to do any of the things referred to in this Section on its behalf,

even if the Competing Proposal was not directly or indirectly solicited, invited, encouraged or initiated by Decmil or any of the Decmil Directors or Decmil Senior Executives or has been publicly announced.

#### **18.4 No due diligence restriction**

Subject to a fiduciary exception, during the Exclusivity Period, Decmil and must not, and must procure that each of the Decmil Directors or Decmil Senior Executives do not, directly or indirectly:

- (a) solicit, initiate, invite, encourage, facilitate or permit any third party to undertake due diligence investigations in respect of Decmil or any member of the Decmil Group (as applicable) or any of their respective businesses, affairs or operations;
- (b) make available to any third party, or cause or permit any third party (other than a government agency that has the right to obtain that information and has sought it) to receive, any non-public information relating to Decmil or any of its Related Body Corporate that may reasonably be expected to assist such third party in formulating, developing or finalising a Competing Proposal; or
- (c) assist, encourage, procure or induce any person to do any of the things referred to in the preceding paragraphs of this Section 18.4 on its behalf.

#### **18.5 Notification obligations**

- (a) During the Exclusivity Period, Decmil must as soon as possible, and in any event within 3 Business Days, notify Macmahon in writing if it or any of the Decmil Directors or Decmil Senior Executives become aware of:
  - (i) any offer or request to do any of the things referred to in the no talk or no due diligence restrictions in Sections 18.3 and 18.4;
  - (ii) any approach, inquiry, expression of interest, discussion, proposal or other communication made by any person to it or any of the Decmil Directors or Decmil Senior Executives, to initiate any discussions or negotiations, or any intention to make such approach, that concerns a Competing Proposal; or
  - (iii) any request made by any person to it or any of the Decmil Directors or Decmil Senior Executives, for any non-public information relating to it, its Related Bodies Corporate, or any of their businesses and operations, in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of, a Competing Proposal,

in each case whether direct or indirect, whether solicited or unsolicited and whether oral or in writing.

- (b) Subject to a fiduciary exception, a notice given in respect to this provision, must be accompanied by all material terms and conditions

(including price, form of consideration, conditions precedent, proposed deal protection arrangements, timetable and break free if any) to the extent then known to Decmil, and the identity of the proponent of the Competing Proposal.

(c) During the Exclusivity Period, Decmil must immediately (and in any event within 3 Business Days) provide Macmahon with:

- (i) in the case of written materials, a copy of; or
- (ii) in any other case, a written statement of or reasonable access to,

any material non-public information regarding the operations of the Decmil Group made available by it to any person in connection with such person formulating, developing or finalising, or assisting in the formulation, development or finalisation of a Competing Proposal and which has not previously been provided to Macmahon.

(d) If during the Exclusivity Period a member of the Decmil Group (or any Decmil Director or Decmil Senior Executive) provides any information relating to the Decmil Group to any person in connection with or for the purposes of a Competing Proposal, it must promptly provide to Macmahon a complete copy of that information to the extent that Macmahon has not already received that information.

## **18.6 Response to Competing Proposal and Macmahon Counterproposal**

(a) If Decmil is permitted by virtue of its fiduciary obligations to engage in activity that would otherwise breach its no-talk or no due diligence restrictions, it must enter into a confidentiality agreement with the person who has made the applicable Competing Proposal on customary terms.

(b) Decmil must not and must procure that each of the Decmil Directors and Decmil Senior Executives do not enter into any agreement, commitment, arrangement or understanding (whether or not in writing) relating to any Competing Proposal (other than a confidentiality agreement) unless each of the following conditions is satisfied:

- (i) the Decmil Directors acting in good faith, have determined that the Competing Proposal is a Superior Proposal and that the failure to take an action would likely breach the statutory or fiduciary duties of the members of the Decmil Board;
- (ii) Decmil has given Macmahon written notice (**Relevant Notice**) of the proposal to enter into the relevant agreement, commitment, arrangement or understanding;
- (iii) Decmil has given Macmahon all information that would be required by its notification obligations, together with the identity of the proponent of the Competing Proposal;
- (iv) Decmil has given Macmahon at least 5 Business Days after the date of the provision of the information referred to in paragraph (iii) above to provide a matching or superior proposal to the Competing Proposal (**Macmahon Counterproposal**).

(c) If Macmahon provides a Macmahon Counterproposal, Decmil must procure that the Decmil Board considers the Macmahon

Counterproposal and determines whether, acting reasonably and in good faith, the Macmahon Counterproposal would provide an equivalent or superior outcome to Decmil Shareholders and Decmil RCPS Holders, as a whole, when compared with the Competing Proposal. Following that determination, Decmil must:

- (i) procure that the Decmil Board promptly (and in any event within 3 Business Day) notifies Macmahon of the determination in writing and states the reasons for that determination; and
- (ii) if the determination is that the Macmahon Counterproposal would provide an equivalent or superior outcome to Decmil Shareholders and Decmil RCPS Holders as a whole when compared with the Competing Proposal, then, for a period of 3 Business Days after Decmil delivers to Macmahon the notice referred to in paragraph (i) above, Decmil and Macmahon must use their best endeavours to agree the transaction documentation required to implement the Macmahon Counterproposal as soon as reasonably practicable; or
- (iii) if the determination is that the Macmahon Counterproposal would not provide an equivalent or superior outcome to Decmil Shareholders and Decmil RCPS Holders as a whole when compared with the Competing Proposal, then Macmahon may take steps to amend the Macmahon Counterproposal to address the reasons given within a further 2 Business Days. If MAH does so to Decmil's satisfaction, then the process in paragraph (ii) above applies to that amended Macmahon Counterproposal.

Any and each successive material modification or variation to any Competing Proposal will be deemed to be a new Competing Proposal with the effect that the provisions regarding a Competing Proposal in the Scheme Implementation Deed will apply.

## **18.7 Reimbursement fee**

Decmil has agreed to pay Macmahon a Reimbursement Fee of \$979,386 as compensation for costs and expenses incurred by Macmahon if:

- (a) any member of the Decmil Board fails to make the recommendation in support of the Schemes, or prior to the Second Court Date, any member of the Decmil Board withdraws or adversely modifies, revises or qualifies their support of the Schemes or their recommendation that Decmil Securityholders (other than Excluded Shareholders and/or Excluded RCPS Holders) vote in favour of the Schemes, or makes a public statement indicating that they no longer support the Transaction or that they support a Competing Proposal (including support by way of accepting or voting, or by way of stating an intention to accept or vote in respect of any Decmil Shares or Decmil RCPS), other than as a result of:
  - (i) any matter giving Decmil the right to terminate the Scheme Implementation Deed, resulting from Macmahon's material breach;
  - (ii) failure of a Scheme Condition which is for the benefit of Decmil or both Decmil and Macmahon, other than as a result of a breach by Decmil;

- (iii) where a court of competent jurisdiction or ASIC or the Takeovers Panel requires that a majority of the Decmil Board abstain or withdraw from making a recommendation in relation to the Schemes;
- (iv) the Independent Expert provides a report to Decmil (either initially or in any updated report) which concludes that:
  - (A) the Ordinary Scheme is not in the best interests of Decmil Shareholders (other than the Excluded Shareholders); and/or
  - (B) the RCPS Scheme is not in the best interest of Decmil RCPS Holders (other than the Excluded RCPS Holders),

other than because of a Competing Proposal;
- (b) during the Exclusivity Period, Decmil or any of the Decmil Directors or Decmil Senior Executives, directly or indirectly, was aware of, becomes aware of or receives from a Third Party an approach in relation to an actual, proposed or potential Competing Proposal and that Competing Proposal (or any related Competing Proposal arising out of that Competing Proposal) is completed at any time prior to the first anniversary of the date of the public announcement of such Competing Proposal;
- (c) during the Exclusivity Period, Decmil receives or publicly announces a Superior Proposal and Decmil terminates the Scheme Implementation Deed; or
- (d) Macmahon is entitled to terminate the Scheme Implementation Deed, resulting from Decmil's material breach, and has provided appropriate notice.

In addition, Macmahon has also agreed to pay Decmil a Reimbursement Fee of \$979,386 as compensation for costs and expenses incurred by Decmil if:

- (e) Macmahon does not provide the aggregate Scheme Consideration once payable, in accordance with the terms and conditions of the Scheme Implementation Deed and the Schemes; or
- (f) Decmil is entitled to terminate the Scheme Implementation Deed, resulting from Macmahon's material breach (as set out in Section 18.8(f)(ii) below), and has provided appropriate notice.

Macmahon or Decmil (as applicable) must pay the Reimbursement Fee to the other within 10 Business Days after receiving a written demand for payment of the Reimbursement Fee following the occurrence of an event described above in Section 18.7.

## 18.8 Termination

The Scheme Implementation Deed (and hence the Schemes) may be terminated:

- (a) by either Decmil or Macmahon, if, before the date or time specified in the Scheme Implementation Deed for or, if no date or time is specified, 8:00am on the Second Court Date (subject to extension) (**Relevant Date**),

a condition under the Scheme Implementation Deed cannot be satisfied and is not waived by the time required;

- (b) by either Decmil or Macmahon, if after the Relevant Date applicable to a Scheme Condition solely or jointly for its benefit, that condition has not been satisfied or waived;
- (c) by either Decmil or Macmahon, if the Effective Date has not occurred by the End Date;
- (d) by Macmahon before the Second Court Date if any Decmil director publicly changes (including by attaching qualifications to) or withdraws (including by abstaining) their statement that they consider the Schemes to be in the best interests of Decmil Securityholders (other than the Excluded Shareholders and the Excluded RCPS Holders) or their recommendation that Decmil Securityholders (other than the Excluded Shareholders and the Excluded RCPS Holders) approve the Schemes;
- (e) by either Macmahon or Decmil, if a Competing Proposal for the other is received and the relevant board publicly announces that it has determined that the Competing Proposal is a Superior Proposal, provided there has not been a material breach of exclusivity obligations by the party purporting to terminate the Scheme Implementation Deed;
- (f) before the Second Court Date:
  - (i) by Macmahon – if Decmil is in breach of the Scheme Implementation Deed and that breach is material and is not remedied by Decmil within 10 Business Days (or such shorter period ending at 5:00pm on the Business Day before the Second Court Date) of Decmil receiving notice from Macmahon of the details of the breach and its intention to terminate; and
  - (ii) by Decmil – if:
    - (A) Macmahon has purported to assign its rights under the Scheme Implementation Deed in breach of the assignment clause; or
    - (B) Macmahon is in breach of any of the representations and warranties given by Macmahon under the Scheme Implementation Deed,  
  
and such breach is not remedied by Macmahon within 10 Business Days (or such shorter period ending at 5:00pm on the Business Day before the Second Court Date) of Macmahon receiving notice from Decmil of the details of the breach and its intention to terminate the Scheme Implementation Deed,  
provided that neither party will be entitled to terminate the Scheme Implementation Deed for a breach of a representation to the extent that the facts, matters and circumstances giving rise to the breach are disclosed in the Scheme Implementation Deed;
- (g) by Macmahon, with immediate effect, at any time prior to 8:00am on the Second Court Date by notice in writing to Decmil if:
  - (i) a Decmil Director (including any new Decmil Director appointed following execution of the Scheme Implementation Deed):



- (A) withdraws, changes or modifies their support of the Schemes or their recommendation that Decmil Securityholders (other than the Excluded Shareholders and the Excluded RCPS Holders) vote in favour of the Schemes; or
  - (B) recommends, endorses or supports any Competing Proposal for Decmil;
- (ii) a Competing Proposal in respect of Decmil is received or announced and the Competing Proposal requires as a condition that the Transaction not be implemented, and any of the Decmil Directors make a public statement to the effect that they no longer support the Transaction or that they recommend the Competing Proposal; or
  - (iii) a Decmil Material Adverse Change occurs; or
  - (iv) a Decmil Insolvency Event occurs;
- (h) by Decmil, with immediate effect, at any time prior to 8:00am on the Second Court Date by notice in writing to Macmahon if a Macmahon Director (including any new Macmahon Director appointed after the date of the Scheme Implementation Deed) makes a public statement to the effect that they no longer support the Transaction.

#### **18.9 Amendments to the Scheme**

The Scheme Implementation Deed may only be varied by document signed by or on behalf of each of Decmil and Macmahon.

#### **18.10 Representations and warranties**

Each of Decmil and Macmahon have given representations, warranties and covenants to the other that are considered to be standard for an agreement of this kind. The representations, warranties and covenants given by each of Decmil and Macmahon are set out in full at schedules 2 and 3 of the Scheme Implementation Deed

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## **19. ADDITIONAL INFORMATION**

### **19.1 Introduction**

This Section 19 sets out additional information required to be disclosed to Decmil Securityholders pursuant to the Corporations Act and the Corporations Regulations, together with other information that may be of interest to Decmil Securityholders.

### **19.2 Interests of Decmil Directors**

As at the date of lodgement of this Scheme Booklet with ASIC:

- (a) Decmil Directors held interests in marketable securities of Decmil as set out in Section 13.8; and
- (b) no Decmil Director has any interest in marketable securities of Macmahon (as set out in Section 14.6)

No Decmil Director has acquired or disposed of a Relevant Interest in Decmil Shares and/or Decmil RCPS in the four-month period ending on the date immediately before the date of this Scheme Booklet.

Decmil Directors who are Scheme Participants will be entitled to receive the Scheme Consideration (as applicable) in accordance with the terms of the Schemes.

### **19.3 Interests of Macmahon Directors**

As at the date of lodgement of this Scheme Booklet with ASIC:

- (a) no Macmahon Director has any interest in marketable securities of Decmil (as set out in Section 13.8); and
- (b) no Macmahon Director has, in the four-month period ending on the date immediately before the date of this Scheme Booklet, provided or agreed to provide any consideration in connection with the purchase of any Decmil Securities.

### **19.4 Interests of Macmahon in Decmil**

As at the date of lodgement of this Scheme Booklet with ASIC, neither Macmahon nor any of its Associates has any interest in any Decmil Shares or any other marketable securities of Decmil.

During the four months before the date of this document neither Macmahon nor any Associate of Macmahon has:

- (a) provided, or agreed to provide, consideration for any Decmil Securities; or
- (b) given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person, or an Associate, to vote in favour of the Schemes or dispose of Decmil Securities which benefit is not offered to all Decmil Securityholders under the Schemes,

except for as expressly provided for under the Scheme Implementation Deed, including the Scheme Consideration.

## 19.5 Benefits to Decmil officers in connection with retirement from office

Other than as disclosed in this Scheme Booklet, there is no current proposal for a payment or other benefit to be made or given to a director, secretary or executive officer of Decmil or any Related Body Corporate of Decmil as compensation for the loss of, or as consideration for or in connection with his or her retirement from office in Decmil or any Related Body Corporate of Decmil as a result of the Schemes.

## 19.6 Remuneration of Decmil Directors

The Decmil Directors are entitled to be paid fees for their services as directors of Decmil and have been paid the following fees in the previous and current financial years (inclusive of superannuation entitlements):

Decmil Director	FY 2024 (as of 30 April 2024)	FY 2023
Andrew Barclay	166,784 <sup>1</sup>	130,045 <sup>2</sup>
David Steele	78,392 <sup>3</sup>	88,085 <sup>4</sup>
Vincent Vassallo	78,500 <sup>5</sup>	221,844 <sup>6</sup>
Peter Thomas	995,961 <sup>7</sup>	805,430 <sup>8</sup>
Rodney Heale	1,172,834 <sup>9</sup>	951,170 <sup>10</sup>

### Notes:

1. Comprising of \$113,652 in salary and fees, a superannuation payment of \$12,502 and share-based payments of \$40,630.
2. Comprising of \$117,688 in salary and fees and a superannuation payment of \$12,357.
3. Comprising of \$70,624 in salary and fees and a superannuation payment of \$7,769.
4. Comprising of \$79,715 in salary and fees and a superannuation payment of \$8,370.
5. Comprising of \$78,500 in salary and fees.
6. Comprising of \$83,100 in salary and fees associated with Mr Vassallo's role as a non-executive director of Decmil and \$138,744 of salary and fees associated with Mr Vassallo's role as an executive director Decmil.
7. Comprising of \$633,281 in salary and fees, \$321,600 in incentive related payments and share-based payments of \$41,080.
8. Peter Thomas was appointed as Chief Financial Officer on 7 July 2022. Comprising of \$726,875 in fees and \$78,555 in share-based payments.
9. Comprising of \$731,100 in salary and fees, \$364,800 in incentive related payments, share-based payments of \$49,535 and a superannuation payment of \$27,399.
10. Mr Rodney Heale was appointed to the Board of Decmil as an Executive Director on 14 August 2023. Comprising of \$824,708 in salary and fees, a superannuation payment of \$25,293 and a share-based payment of \$101,169 associated with Mr Heale's role as Chief Executive Officer of Decmil.

## 19.7 Disclosure of payments and benefits to Decmil Directors, secretaries and executive officers

None of Macmahon, its Related Bodies Corporate, and their respective Associates will be making any payment or giving any benefit to any current directors, secretaries or officers of any member of the Decmil Group as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Schemes are implemented.

However, as is required by the Scheme Conditions, the following Decmil Directors have agreed to cancel convertible securities held by them (as described in Sections 12.6, 12.8 and 12.9), with such cancellation to take effect if the Schemes become Effective:

- (a) Mr Andrew Barclay will receive \$600,000 in Ordinary Scheme Consideration as he holds 2,000,000 Decmil Performance Rights, which will vest and convert into Decmil Shares on Decmil Securityholders approving the Schemes and be transferred to Macmahon under the terms of the Ordinary Scheme. Mr Barclay's Decmil Options will be cancelled for no consideration.
- (b) Mr Rodney Heale will receive:
  - (i) \$2,318,182 in Ordinary Scheme Consideration as he holds 7,727,274 Decmil Performance Rights, which will vest and convert into Decmil Shares on Decmil Securityholders approving the Schemes and be transferred to Macmahon under the terms of the Ordinary Scheme; and
  - (ii) in consideration for the cancellation of Decmil 2023 Performance Rights held by him, 7,378,826 Macmahon Shares with a value of \$1,742,878.70, based on the implied value of the Macmahon Shares prior to the execution of the Scheme Implementation Deed (being \$0.2362).<sup>9</sup> These Macmahon Shares will be held by the Macmahon Employee Share Trust before, subject to Mr Heale remaining an employee of the Macmahon Group or being a "good leaver", being transferred to Mr Heale as follows:
    - (A) 1,844,706 Macmahon Shares will be transferred to Mr Heale on 1 January 2025; and
    - (B) 5,534,120 Macmahon Shares will be transferred to Mr Heale on 1 July 2025.
- (c) Mr Peter Thomas will receive:
  - (i) \$1,800,000 in Ordinary Scheme Consideration as he holds 6,000,000 Decmil Performance Rights, which will vest and convert into Decmil Shares on Decmil Securityholders approving the Schemes and be transferred to Macmahon under the terms of the Ordinary Scheme; and

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<sup>9</sup> See footnote 5 above.

- (ii) In consideration for the cancellation of Decmil 2023 Performance Rights held by him, 6,499,803 Macmahon Shares with a value of \$1,535,253.47, based on the implied value of the Macmahon Shares prior to the execution of the Scheme Implementation Deed (being \$0.2362).<sup>10</sup> These Macmahon Shares will be held by the Macmahon Employee Share Trust before, subject to Mr Thomas remaining an employee of the Macmahon Group or being a "good leaver", being transferred to Mr Thomas as follows:
- (A) 1,624,951 Macmahon Shares will be transferred to Mr Thomas on 1 January 2025; and
- (B) 4,874,852 Macmahon Shares will be transferred to Mr Thomas on 1 July 2025.

Mr Thomas's Decmil Options will be cancelled for no consideration.

## 19.8 Disclosure of interests

Except as disclosed below or elsewhere in this Scheme Booklet, no:

- (a) Decmil Director or proposed director of Decmil;
- (b) Macmahon Director or proposed director of Macmahon;
- (c) person named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet; or
- (d) promoter or underwriter of Macmahon,

(together, **Interested Persons**) holds, or held at any time during the two years before the date of this Scheme Booklet any interests in:

- (e) the formation or promotion of Macmahon; or
- (f) property acquired or proposed to be acquired by Macmahon in connection with the formation or promotion of Macmahon.

## 19.9 Disclosure of fees and other benefits

Except as disclosed elsewhere in this Scheme Booklet, neither Macmahon nor Decmil has paid or agreed to pay any fees, or provided or agreed to provide any benefit to:

- (a) a director or proposed director of Macmahon to induce them to become or qualify as a director of Macmahon; or
- (b) any Interested Person for services provided by that person in connection with the formation or promotion of Macmahon.

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<sup>10</sup> See footnote 5 above.

## **19.10 Right to inspect Decmil Share Register and Decmil RCPS Register**

Decmil Shareholders have the right to inspect the Decmil Share Register which contains the name and address of each Decmil Shareholder and certain other prescribed details relating to Decmil Shareholders, without charge.

Decmil RCPS Holders have the right to inspect the Decmil RCPS Register which contains the name and address of each Decmil RCPS Holder and certain other prescribed details relating to Decmil RCPS Holders, without charge.

Decmil Securityholders also have the right to request a copy of the Decmil Share Register or Decmil RCPS Register (as applicable), upon payment of a fee (if any) up to a prescribed amount.

Decmil Securityholders have these rights by virtue of section 173 of the Corporations Act.

## **19.11 Regulatory conditions and relief**

### **(a) ASX Relief**

ASX Listing Rule 6.23.2 provides that the cancellation of options for consideration requires the approval of shareholders.

Decmil has been granted a waiver from ASX Listing Rule 6.23.2 to permit:

- (i) the Decmil Options to be cancelled in consideration for the Decmil Option Consideration, in accordance with the terms of the Decmil Option Deeds;
- (ii) the Decmil Warrants to be cancelled in consideration for the Decmil Warrant Consideration, in accordance with the terms of the Decmil Warrant Deeds; and
- (iii) the Decmil 2023 Performance Rights to be cancelled in consideration for the Decmil 2023 Performance Right Consideration, in accordance with the terms of the Decmil 2023 Performance Rights Deeds,

on the following conditions:

- (iv) full details of the cancellation of the Decmil Options, the Decmil Warrants, the Decmil 2023 Performance Rights and consideration payable for their cancellation are set out to ASX's satisfaction in the Scheme booklet; and
- (v) the Schemes are approved by eligible security holders of Decmil and a court of competent jurisdiction, and the Court's orders are lodged with the Australian Securities and Investments Commission such that the Schemes becomes effective.

### **(b) ASIC Relief**

Regulation 5.1.01(b) and clause 8302(h) of Part 3 of Schedule 8 of the Corporations Regulations requires the Scheme Booklet to set out whether, within the knowledge of the directors of Decmil, the financial position of Decmil has materially changed since the date of the last balance sheet laid before Decmil in general meeting or sent to shareholders in accordance with section 314 and 317 of the Corporations Act, being its

financial statements for the financial year ended 30 June 2023, as well as the full particulars of the changes.

Decmil sought relief from this requirement so that this Scheme Booklet only needs to set out whether, within the knowledge of the Decmil Directors, the financial position of Decmil has materially changed since 31 December 2023 (being the last date of the period to which the financial statements for the half-year ended 31 December 2023 relate).

ASIC approved this relief application in principle on 21 June 2024.

#### **19.12 No administrator**

It is not proposed that any person be appointed to manage or administer the Schemes.

#### **19.13 No relevant restrictions in the constitution of Decmil**

There are no restrictions on the right to transfer Decmil Shares or Decmil RCPS in Decmil's constitution.

#### **19.14 No unacceptable circumstances**

The Decmil Directors do not believe that the Schemes involve any circumstances in relation to the affairs of any member of Decmil that could reasonably be characterised as constituting "unacceptable circumstances" for the purposes of section 657A of the Corporations Act.

#### **19.15 Privacy and personal information**

Decmil and Macmahon, their respective share registries and investor relations advisers may collect personal information about you in the process of implementing the Schemes. The personal information may include the names, contact details and details of the security holdings of Decmil Securityholders, and the names of individuals appointed by Decmil Securityholders as proxies, corporate representatives or attorneys at the Scheme Meeting.

The personal information is collected for the primary purpose of implementing the Schemes. The personal information may be disclosed to Decmil's and Macmahon's securities registries and investor relations advisers, to securities brokers and to print and mail service providers.

Decmil Securityholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Company Secretary of Decmil, Mr Peter Coppini, by phone on: +61 8 6240 8126 or by email: [investors@decmil.com.au](mailto:investors@decmil.com.au) in the first instance if they wish to request access to that personal information.

Decmil Securityholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Scheme Meeting should inform that individual of the matters outlined above.

#### **19.16 Supplementary information**

Decmil will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Scheme Booklet for registration by ASIC and the date of the Scheme Meeting:

- (a) a material statement in this Scheme Booklet that is false or misleading;
- (b) a material omission from this Scheme Booklet;
- (c) a significant change affecting a matter included in this Scheme Booklet;  
or
- (d) a significant new matter arising that would have been required to be included in this Scheme Booklet if it had arisen before the date of lodgement of this Scheme Booklet for registration by ASIC.

The form of the supplementary document and whether a copy will be sent to each Decmil Securityholder will depend on the nature and timing of the new or changed circumstances. Any such supplementary document will be made available on Decmil's website ([www.decmil.com](http://www.decmil.com)). Any such supplementary document will also be released to ASX and accordingly will be available from ASX's website ([www.asx.com.au](http://www.asx.com.au)).

### 19.17 Advisers and experts

#### (a) Roles of advisers and experts

The persons named in this Scheme Booklet as performing a function in a professional, advisory or other capacity in connection with the Schemes or the preparation or distribution of this Scheme Booklet are:

Name	Role
Nexia Perth Corporate Finance Pty Ltd	Independent Expert
Steinepreis Paganin	Legal adviser to Decmil
Computershare Investor Services Pty Limited	Decmil's share registry
MA Moelis Australia Advisory Pty Ltd	Corporate adviser to Decmil

#### (b) Consents of Macmahon, Decmil advisers and experts

Nexia Perth Corporate Finance Pty Ltd has given its consent to the inclusion of its Independent Expert's Report in this Scheme Booklet in the form and context in which it appears in Annexure A and has not withdrawn that consent before the date of this Scheme Booklet. Nexia Perth Corporate Finance Pty Ltd takes no responsibility for the contents of the Scheme Booklet other than the Independent Expert's Report. The interests of Nexia Perth Corporate Finance Pty Ltd in its capacity as Independent Expert are disclosed in the Independent Expert's Report.

Nexia Perth Corporate Finance Pty Ltd has given its consent to the inclusion in the Independent Expert's Report in this Scheme Booklet of technical information relating to Decmil in the form and context in which the information appears and has not withdrawn that consent before the date of this Scheme Booklet.



Macmahon has given its consent to the inclusion of the Macmahon Information in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Steinepreis Paganin has given its consent to be named in this Scheme Booklet as legal adviser to Decmil in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

MA Moelis Australia Advisory Pty Ltd has given its consent to be named in this Scheme Booklet as corporate adviser to Decmil in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Computershare Investor Services Pty Limited has given its consent to be named in this Scheme Booklet as Decmil's share registry in the form and context in which it appears and has not withdrawn that consent before the date of this Scheme Booklet.

Each person named in Section 19.17(a) has given, and before the time of registration of this Scheme Booklet with ASIC, has not withdrawn, their consent to being named in this Scheme Booklet in the capacity indicated next to their name.

(c) **Disclaimers of responsibility**

Each person named in Section 19.17(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet:

- (i) has not authorised or caused the issue of this Scheme Booklet or the payment of Scheme Consideration under the Schemes;
- (ii) does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than a statement included in this Scheme Booklet with the written consent of that person as stated in Section 19.17(b) which for:
  - (A) Macmahon is limited to the Macmahon Information; and
  - (B) for Nexia Perth Corporate Finance Pty Ltd is limited to the Independent Expert Report; and
- (iii) makes no representations regarding, and to the maximum extent permitted by law, expressly disclaims all liability and takes no responsibility for, any statements in or omissions from any part of this Scheme Booklet, other than a reference to its name and any statement or report that has been included in this Scheme Booklet with the consent of that person.

(d) **Fees and expenses**

Each person named in Section 19.17(a) as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Scheme Booklet will be entitled to receive professional fees charged in accordance with their normal basis of charging.

The aggregate amount of the fees and expenses expected to be incurred by Decmil in connection with the Schemes is approximately \$2,616,046. This includes the following amounts (excluding GST):

- (i) fees and expenses paid or payable to Decmil's professional advisers (including its financial, legal, accounting, communications and tax advisers) of approximately \$2,154,000 if the Schemes become Effective or approximately \$954,000 if the Schemes do not become Effective;
- (ii) fees paid or payable to the Independent Expert of approximately \$240,000; and
- (iii) registry costs, fees and expenses associated with the Court proceedings, costs relating to design, printing and dispatch of this Scheme Booklet, expenses associated with convening and holding the Scheme Meetings and other general administrative expenses in connection with the Schemes, of approximately \$222,046 in aggregate.

Of this Decmil expects approximately \$1,416,000 will be paid irrespective of whether the Schemes become Effective (and are implemented).

These amounts do not include transaction costs that may be incurred by Macmahon in relation to the Schemes.

#### **19.18 Effects of rounding**

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet including but not limited to those in respect of the Scheme Consideration, are subject to the effect of rounding. Accordingly, the actual calculations of these figures may differ from the figures set out in this Scheme Booklet.

#### **19.19 Data in charts, graphs and tables**

Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Last Practicable Date. Any discrepancies in any chart, graph or table between totals and sums of amounts presented or listed therein or to previously published financial figures are due to rounding.

#### **19.20 No other material information**

Other than as set out in this Scheme Booklet, including the Annexures to this Scheme Booklet, there is no information material to the making of a decision in relation to the Schemes or a decision by a Decmil Securityholder whether or not to vote in favour of the Schemes, being information that is within the knowledge of any Decmil Directors or of a Related Body Corporate of Decmil and which has not previously been disclosed to Decmil Securityholders.

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## 20. GLOSSARY OF DEFINED TERMS

The following defined terms used throughout this Scheme Booklet have the meaning set out below unless the context otherwise requires.

<b>\$ or \$</b>	The lawful currency of Australia.
<b>AASB</b>	The Australian Accounting Standards Board, being the Australian Regulatory Authority responsible for developing and issuing accounting standards applicable to Australian entities and the “care and maintenance” of the body of standards as set out in the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
<b>AASB Standards</b>	The Australian Accounting Standards issued by the AASB.
<b>Annexure</b>	An annexure of this Scheme Booklet.
<b>Announcement Date</b>	16 April 2024, being the date of announcement of the Schemes.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>Associate</b>	Has the meaning given to it in section 12 of the Corporations Act.
<b>ASX</b>	ASX Limited (ACN 008 624 691).
<b>ASX Listing Rules</b>	The listing rules of ASX.
<b>ASX Settlement Rules</b>	The settlement rules of ASX Settlement Pty Limited (ACN 008 504 532).
<b>ATO</b>	Australian Taxation Office.
<b>Bond Facility Agreement</b>	The bond facility agreement entered into by Decmil and Macmahon on 30 May 2024.
<b>Business Day</b>	A day as defined in the Listing Rules other than any day which banks are not open for general banking business in Perth, Western Australia.
<b>CHESS</b>	The clearing house electronic sub-register system of share transfers operated by ASX Settlement Pty Ltd (ACN 008 504 532).
<b>CGT</b>	Capital Gains Tax, as defined in the <i>Income Tax Assessment Act 1997</i> (Cth).
<b>Competing Proposal</b>	An offer, expression of interest or proposal in relation to any transaction, agreement or arrangement (whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction or buy back, sale, purchase or assignment of shares or assets, lease, joint venture, strategic alliance, partnership dual-listed company structure or other economic or synthetic merger, or combination or other transaction or arrangement) pursuant to which a Third Party (or Third Parties) will, if the transaction, agreement or arrangement is entered into or completed:

	<p>(a) acquire (whether directly or indirectly) or become the holder of, or otherwise acquire, have a right to acquire or have an economic interest in all or a substantial part of the business conducted by or assets or property of the Decmil Group;</p> <p>(b) acquire (whether directly or indirectly) or have a right to acquire control (as determined in accordance with section 50AA of the Corporations Act) of Decmil or any member of the Decmil Group;</p> <p>(c) acquire (whether directly or indirectly) or have a right to acquire a Relevant Interest (as determined in accordance with sections 608 and 609 of the Corporations Act) in 20% or more of the Decmil Shares or the share capital of any member of the Decmil Group; or</p> <p>(d) requiring Decmil to abandon, or otherwise fail to proceed with, the Transaction.</p>
<b>Computershare</b>	Computershare Investor Services Pty Limited (ACN 078 279 277).
<b>Corporations Act</b>	The <i>Corporations Act 2001</i> (Cth).
<b>Corporations Regulations</b>	The <i>Corporations Regulations 2001</i> (Cth).
<b>Court</b>	The Supreme Court of Western Australia, or such other court of competent jurisdiction as agreed in writing by Macmahon and Decmil.
<b>Decmil, DCG or Company</b>	Decmil Group Limited (ACN 111 210 390).
<b>Decmil 2023 Performance Rights</b>	The 17,706,174 entitlements granted by Decmil for the holder to be allocated a Decmil Share subject to the satisfaction of any applicable vesting conditions that were issued pursuant to the approval of Decmil Shareholders at the Decmil annual general meeting held on 12 October 2023 (excluding those granted to Mr Andrew Barclay).
<b>Decmil 2023 Performance Rights Consideration</b>	1.27 Macmahon Shares for every 1 Decmil 2023 Performance Right, which will be held by the MAH Employee Share Trust before being transferred to the Decmil 2023 Performance Rights Holder in the tranches (and subject to the conditions) that are set out in the relevant Decmil 2023 Performance Rights Deed.
<b>Decmil 2023 Performance Rights Deed</b>	A deed between Decmil, a Decmil 2023 Performance Rights Holder and Macmahon under which those parties agree to cancel all of that Decmil 2023 Performance Rights Holder's Decmil 2023 Performance Rights on the day immediately prior to the Record Date, conditional on the Scheme becoming Effective, for the Decmil 2023 Performance Rights Consideration.

<b>Decmil 2023 Performance Rights Holder</b>	A holder of a Decmil 2023 Performance Right.
<b>Decmil Board</b>	The board of Decmil Directors.
<b>Decmil Directors</b>	The directors of Decmil.
<b>Decmil Employee Securities Incentive Plan</b>	The employee securities incentive plan approved by Decmil Shareholders at the Decmil annual general meeting held on 10 November 2022 and amended pursuant to the approval of Decmil Shareholders at the Decmil annual general meeting held on 12 October 2023.
<b>Decmil Group</b>	Decmil and its subsidiaries.
<b>Decmil Insolvency Event</b>	Has the meaning given to the term 'DCG Insolvency Event' in clause 1.1 of the Scheme Implementation Deed.
<b>Decmil Material Adverse Change</b>	Has the meaning given to the term 'DCG Material Adverse Change' in clause 1.1 of the Scheme Implementation Deed.
<b>Decmil Option</b>	An option to acquire one Decmil Share.
<b>Decmil Option Consideration</b>	Means: (a) \$0.048 per Decmil Option expiring on 23 October 2026 with a \$0.252 exercise price; and (b) \$nil per Decmil Option expiring on 31 October 2024 with a \$0.75 exercise price.
<b>Decmil Option Deed</b>	A deed between Decmil, a Decmil Optionholder and Macmahon under which those parties agree to cancel all of that Decmil Optionholder's Decmil Options on the day immediately prior to the Record Date, conditional on the Scheme becoming Effective, for the Decmil Option Consideration.
<b>Decmil Optionholder</b>	A holder of a Decmil Option.
<b>Decmil Performance Right</b>	An entitlement granted by Decmil for the holder to be allocated a Decmil Share, subject to the satisfaction of any applicable vesting conditions, excluding any Decmil 2023 Performance Right.
<b>Decmil Performance Right Holders</b>	A holder of a Decmil Performance Right.
<b>Decmil Prescribed Event</b>	Has the meaning given to the term 'DCG Prescribed Event' in clause 1.1 of the Scheme Implementation Deed.
<b>Decmil RCPS</b>	A redeemable convertible preference share in the capital of Decmil that is quoted on the ASX under the code ASX:DCGPA.
<b>Decmil RCPS Holder</b>	Each person who is registered in the Decmil RCPS Register from time to time as the holder of a Decmil RCPS.

<b>Decmil RCPS Register</b>	The register of Decmil RCPS Holders maintained by Computershare in accordance with the Corporations Act.
<b>Decmil Representation and Warranties</b>	Has the meaning given to the term 'DCG Representations and Warranties' in clause 1.1 of the Scheme Implementation Deed.
<b>Decmil Security</b>	A Decmil Share and/or a Decmil RCPS, as the context requires.
<b>Decmil Securityholder</b>	A Decmil Shareholder and/or Decmil RCPS Holder, as the context requires.
<b>Decmil Senior Executive</b>	Any or all members of Decmil's executive team who report directly to the chief executive officer of Decmil, as the context requires.
<b>Decmil Share</b>	A fully paid ordinary share of Decmil.
<b>Decmil Share Register</b>	The register of Decmil Shareholders maintained by Computershare in accordance with the Corporations Act.
<b>Decmil Shareholder</b>	Each person who is registered in the Decmil Share Register from time to time as the holder of a Decmil Share.
<b>Decmil Warrant</b>	A warrant exercisable into Decmil Shares.
<b>Decmil Warrant Consideration</b>	An aggregate total of \$5,904,461.50 to be paid to the Decmil Warrant Holders in accordance with the terms of the Decmil Warrant Deeds.
<b>Decmil Warrant Deed</b>	A deed between Decmil, a Decmil Warrant Holder and Macmahon under which those parties agree to cancel all of that Decmil Warrant Holder's Decmil Warrants on the day immediately prior to the Record Date, conditional on the Scheme becoming Effective, for the Decmil Warrant Consideration.
<b>Decmil Warrant Holder</b>	A holder of Decmil Warrants.
<b>Effective</b>	When used in relation to the Schemes, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under sections 411(4)(b) and 411(6) in relation to the Schemes.
<b>Effective Date</b>	The date on which the Schemes become Effective.
<b>End Date</b>	15 October 2024 or such other date as Macmahon and Decmil may agree.
<b>Exclusivity Period</b>	Has the meaning given in Section 18.2.
<b>Excluded RCPS Holder</b>	Any Decmil RCPS Holder who is a member of the Macmahon Group or any Decmil RCPS Holder who holds any Decmil RCPS on behalf of or for the benefit of, any member of the Macmahon Group.
<b>Excluded Securityholder</b>	An Excluded Shareholder and/or Excluded RCPS Holder, as the context requires.

<b>Excluded Shareholder</b>	Any Decmil Shareholder who is a member of the Macmahon Group or any Decmil Shareholder who holds any Decmil Shares on behalf of or for the benefit of, any member of the Macmahon Group.
<b>Implementation Date</b>	The date that is the third Business Day after the Record Date.
<b>Independent Expert</b>	Nexia Perth Corporate Finance Pty Ltd.
<b>Independent Expert's Report</b>	The report of the Independent Expert in relation to the Schemes as set out in Annexure A.
<b>Interested Person</b>	A person named in Section 19.8.
<b>Last Practicable Date</b>	24 June 2024, being the last practicable date before the finalisation of this Scheme Booklet.
<b>Macmahon or MAH</b>	Macmahon Holdings Limited (ACN 007 634 406).
<b>Macmahon Board</b>	The board of Macmahon Directors.
<b>Macmahon Directors</b>	The directors of Macmahon.
<b>Macmahon Employee Share Trust</b>	The employee share ownership plans trust that is subject to a trust deed between Macmahon and CPU Share Plans Pty Ltd established on 28 August 2009, as last amended on 22 October 2022.
<b>Macmahon Group</b>	Macmahon and its subsidiaries, which after the Implementation Date will include Decmil (and its subsidiaries).
<b>Macmahon Information</b>	<p>The information concerning Macmahon provided by Macmahon to Decmil in writing for inclusion in this Scheme Booklet, being limited to the information contained in:</p> <ul style="list-style-type: none"> <li>(a) Section 11 (Frequently Asked Questions, 'Who is Macmahon?');</li> <li>(b) Section 14 (Profile of Macmahon);</li> <li>(c) Section 19.3 (Interests of Macmahon Directors);</li> <li>(d) Section 19.4 (Interests of Macmahon in Decmil);</li> <li>(e) Section 19.7 (Disclosure of payments and benefits to Decmil Directors, secretaries and executive officers); and</li> <li>(f) certain information in Section 19.8 (Disclosure of interests) to the extent it relates to Macmahon and its directors, officers and advisors.</li> </ul>
<b>Macmahon Representation and Warranties</b>	Has the meaning given to the term 'MAH Representations and Warranties' in clause 1.1 of the Scheme Implementation Deed.
<b>Macmahon Share</b>	A fully paid ordinary share in the capital of Macmahon.
<b>Material Contract</b>	Has the meaning given to the term 'Material Contract' in clause 1.1 of the Scheme Implementation Deed.

<b>Ordinary Scheme</b>	The scheme of arrangement under Part 5.1 of the Corporations Act between Decmil and the Ordinary Scheme Shareholders under which Ordinary Scheme Shareholders will receive the Ordinary Scheme Consideration, in the form attached at Annexure B or in such other form as the parties may agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by Macmahon and Decmil.
<b>Ordinary Scheme Consideration</b>	\$0.30 per Decmil Share.
<b>Ordinary Scheme Deed Poll</b>	The deed poll dated 15 April 2024 executed by Macmahon whereby, among other things, Macmahon covenants in favour of the Ordinary Scheme Shareholders to perform its obligations under the Ordinary Scheme, as set out in Annexure D.
<b>Ordinary Scheme Meeting</b>	The meeting of Decmil Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act to consider and vote on the Ordinary Scheme and includes any meeting convened following any adjournment or postponement of that meeting. The notice convening the Ordinary Scheme Meeting is contained in F.
<b>Ordinary Scheme Resolution</b>	The resolution set out in the Notice of Ordinary Scheme Meeting contained in Annexure F.
<b>Ordinary Scheme Shareholder</b>	A holder of Decmil Shares recorded in the Decmil Share Register as at the Record Date, who is not an Excluded Shareholder.
<b>RCPS Scheme</b>	The scheme of arrangement under Part 5.1 of the Corporations Act between Decmil and the RCPS Scheme Holders, the form of which is set out in Annexure C, under which RCPS Scheme Holders will receive the RCPS Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to by Macmahon and Decmil.
<b>RCPS Scheme Consideration</b>	The aggregate of: (a) \$0.335 per Decmil RCPS; and (b) an amount equal to \$0.008 per Decmil RCPS (in compensation for the dividend that would otherwise have been earned by each Decmil RCPS Holder).
<b>RCPS Scheme Deed Poll</b>	The deed poll dated 15 April 2024 executed by Macmahon whereby, among other things, Macmahon covenants in favour of the RCPS Scheme Holders to perform its obligations under the RCPS Scheme, as set out in Annexure E.
<b>RCPS Scheme Holder</b>	A holder of Decmil RCPS recorded in the Decmil RCPS Register as at the Record Date, who is not an Excluded RCPS Holder.



<b>RCPS Scheme Meeting</b>	The meeting of Decmil RCPS Holders (other than Excluded RCPS Holders) ordered by the Court to be convened under section 411(1) of the Corporations Act. The notice convening the RCPS Scheme Meeting is contained in Annexure G.
<b>RCPS Scheme Resolution</b>	The resolution set out in the Notice of RCPS Scheme Meeting contained in Annexure G.
<b>Record Date</b>	5:00pm on the second Business Day after the Effective Date.
<b>Regulatory Authority</b>	Includes: (a) ASX; (b) ASIC; (c) the Takeovers Panel; (d) a government or governmental, semi-governmental or judicial entity or authority; (e) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (f) any regulatory organisation established under statute.
<b>Reimbursement Fee</b>	\$979,386, payable in certain circumstances as prescribed under clause 13.2 of the Scheme Implementation Deed, representing 1% of the aggregate Scheme Consideration payable under the Scheme Implementation Deed.
<b>Related Body Corporate</b>	The meaning given to it in the Corporations Act.
<b>Relevant Interest</b>	The meaning given to it in sections 608 and 609 of the Corporations Act.
<b>Representative</b>	In respect of a party or its subsidiaries, each director, officer, employee, advisor, agent or representative of that party or Related Body Corporate.
<b>Requisite Majority</b>	(a) In respect of the Ordinary Scheme, approval by: (i) more than 50% in number of Decmil Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and (ii) at least 75% of the total number of votes cast on the Ordinary Scheme Resolution by Decmil Shareholders. (b) In respect of the RCPS Scheme, approval by: (i) more than 50% in number of Decmil RCPS Holders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and

	(ii) at least 75% of the total number of votes cast on the RCPS Scheme Resolution by Decmil RCPS Holders.
<b>Scheme Booklet</b>	This booklet that comprises the explanatory statement in respect of the Schemes to be approved by the Court and despatched to Decmil Securityholders and includes the Annexures to this booklet.
<b>Scheme Conditions</b>	The conditions for implementation of the Schemes as set out in clause 2.1 to the Scheme Implementation Deed as detailed at Section 17.2.
<b>Schemes</b>	The Ordinary Scheme and the RCPS Scheme as set out in Annexure B and C, respectively.
<b>Scheme Consideration</b>	The Ordinary Scheme Consideration and/or RCPS Scheme Consideration (as the context requires).
<b>Scheme Implementation Deed</b>	The Scheme Implementation Deed dated 15 April 2024 between Decmil and Macmahon relating to the implementation of the Schemes.
<b>Scheme Meetings</b>	The Ordinary Scheme Meeting and/or RCPS Scheme Meeting (as the context requires).
<b>Scheme Participants</b>	Ordinary Scheme Shareholders and RCPS Scheme Holders.
<b>Second Court Date</b>	The first day of the Second Court Hearing.
<b>Second Court Hearing</b>	The hearing of the application made to the Court for an order pursuant to sections 411(4)(b) and 411(6) of the Corporations Act approving the Schemes.
<b>Section</b>	A section of this Scheme Booklet.
<b>Subsidiaries</b>	Has the meaning given in the Corporations Act.
<b>Superior Proposal</b>	<p>A bona fide Competing Proposal (and not resulting from a breach by Decmil of its obligations under the Scheme Implementation Deed), which the board of the receiving party, acting in good faith, and after taking written advice from its legal and (if applicable) financial advisors, determines:</p> <p>(a) is reasonably capable of being valued and completed within a reasonable timeframe; and</p> <p>(b) if completed substantially in accordance with its terms, is more favourable to its shareholders (as a whole) than the Transaction,</p> <p>in each case taking into account all aspects of the Competing Proposal and the identity and reputation of the person making it, including without limitation all legal, regulatory and financial matters (including the value and type of consideration, funding, any timing considerations, any conditions precedents or other matters affecting the probability of the Competing Proposal being completed).</p>

<b>Takeovers Panel</b>	The Australian Takeovers Panel constituted under the <i>Australian Securities and Investments Commission Act 2001</i> (Cth).
<b>Transaction</b>	The acquisition of Decmil by Macmahon through implementation of the Schemes in accordance with the terms of the Scheme Implementation Deed.

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**ANNEXURE A – INDEPENDENT EXPERT’S REPORT**

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**Decmil Group Limited**

**Independent Expert's Report and  
Financial Services Guide**

30 May 2024

## **FINANCIAL SERVICES GUIDE**

**Dated: 30 May 2024**

### **What is a Financial Services Guide ('FSG')?**

This FSG is designed to help you decide whether to use any of the general financial product advice provided by Nexia Perth Corporate Finance Pty Ltd ABN 84 009 342 661 ('NPCF'), Australian Financial Services Licence Number 289358 ('AFSL').

This FSG includes information about:

- NPCF and how they can be contacted;
- the services NPCF is authorised to provide;
- how NPCF are paid;
- any relevant associations or relationships of NPCF;
- how complaints are dealt with as well as information about internal and external dispute resolution systems, and how you can access them; and
- the compensation arrangements that NPCF has in place.

Where you have engaged NPCF we act on your behalf when providing financial services. Where you have not engaged NPCF, NPCF acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NPCF.

### **Financial Services that NPCF is authorised to provide**

NPCF, which holds an AFSL authorising it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

### **NPCF's responsibility to you**

NPCF has been engaged by the directors of Decmil Group Limited ('Decmil', or the 'Client') to provide general financial product advice in the form of an independent expert's report dated 30 May 2024 ('Report'), which is to be included in the Scheme Booklet (the 'Scheme Booklet' or the 'Document') to be sent to Decmil's shareholders and redeemable convertible preference share holders on or about 2 July 2024.

You have not engaged NPCF directly but have received a copy of the Report because you have been provided with a copy of the Document. NPCF or the employees of NPCF are not acting for any person other than the Client.

NPCF is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

## **General Advice**

As NPCF has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the schemes contemplated in the Document.

## **Fees NPCF may receive**

NPCF charges fees for preparing reports. These fees will usually be agreed with and paid by the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NPCF \$120,000 (excluding GST and out of pocket expenses) for preparing the Report. NPCF and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

## **Referrals**

NPCF does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

## **Associations and Relationships**

Through a variety of corporate and trust structures NPCF is controlled by and operates as part of the Nexia Perth Pty Ltd. NPCF's directors and authorised representative may be directors in the Nexia Perth Pty Ltd group entities ('Nexia Perth Group'). Ms Evelyn Tan, and Ms Muranda Janse Van Nieuwenhuizen, both Directors and Representatives of NPCF, have prepared this Report. The financial product advice in the Report is provided by NPCF and not by the Nexia Perth Group.

From time to time, NPCF, the Nexia Perth Group and related entities ('Nexia entities') may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years, other than the fees disclosed for the preparation of this Report, Nexia entities have received fees from the Client of \$7,200 plus GST in relation to the valuation of performance rights.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the proposed transaction described in this Report.

## **Complaints Resolution**

If you have a complaint, please let NPCF know. Formal complaints should be sent in writing to:

Nexia Perth Corporate Finance Pty Ltd  
Head of Compliance  
GPO Box 2570  
Perth WA 6001

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Susan Montanari, on +61 8 9463 2463 and she will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

### **External Complaints Resolution Process**

If NPCF cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about AFCA are available on its website [www.afca.org.au](http://www.afca.org.au) or by contacting it directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3, Melbourne, Victoria 3001  
Telephone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

### **Compensation Arrangements**

NPCF has professional indemnity insurance cover as required by the Corporations Act 2001 (Cth).

Contact Details  
You may contact NPCF at:

**Nexia Perth Corporate Finance Pty Ltd**  
**GPO Box 2570**  
**Perth WA 6001**



30 May 2024

[nexia.com.au](http://nexia.com.au)

The Directors  
Decmil Group Limited  
20 Parkland Road  
OSBORNE PARK WA 6017

Dear Sirs / Madams,

## Independent Expert's Report on schemes of arrangement

### 1. BACKGROUND AND OUTLINE OF THE SCHEMES

#### 1.1 Background

On 16 April 2024, Decmil Group Limited ('Decmil' or the 'Company') announced that it had entered into a scheme implementation deed ('SID') with Macmahon Holdings Limited ('Macmahon'), under which it is proposed that Macmahon will acquire all fully paid ordinary shares in Decmil ('Decmil Shares') for a cash price of \$0.30 per Decmil Share (the 'Ordinary Scheme Consideration') by way of a Court-approved scheme of arrangement (the 'Ordinary Scheme'). In addition, it is proposed that Macmahon will also acquire all of Decmil's redeemable convertible preference shares ('Decmil RCPS' or 'RCPS') on issue for the aggregate of \$0.343 per Decmil RCPS (the 'RCPS Scheme Consideration') via a separate, inter-conditional, contemporaneous scheme of arrangement (the 'RCPS Scheme') (the Ordinary Scheme and RCPS Scheme together being the 'Schemes').

Decmil, listed on the Australian Securities Exchange ('ASX') (ASX code: DCG), 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. Macmahon, also listed on the ASX (ASX code: MAH), offers the complete package of mining services to miners throughout Australia and Southeast Asia, and has extensive experience in both surface and underground mining.

On completion of the transaction, Macmahon intends to operate Decmil as a wholly owned subsidiary of Macmahon and to maintain Decmil's own branding, with the existing Macmahon civil business to merge under this umbrella.

The Schemes are conditional on a number of matters, which are detailed further in section 1.2 below. The conditions include the approval of Decmil's shareholders (the 'Shareholders') and RCPS holders (the 'RCPS Holders'). As such, the directors of Decmil have requested that Nexia Perth Corporate Finance Pty Ltd ('NPCF') prepare an Independent Expert's Report (the 'Report') in relation to the Schemes and to express an opinion on whether the Schemes are fair and reasonable and in the best interests of Decmil's Shareholders and RCPS Holders. Our Report has been prepared to accompany the Scheme Booklet to be sent to Decmil's Shareholders and RCPS Holders.

We note that, the Schemes are inter-conditional. If either of the Schemes are not approved, the transaction will not proceed and each Decmil Shareholder will retain their Decmil Shares and will not receive any Ordinary Scheme Consideration, and each Decmil RCPS Holder will retain their Decmil RCPS and will not receive any RCPS Scheme Consideration. Also, if the Schemes are not approved, Decmil will remain listed on ASX and continue to operate as a standalone entity.

## Advisory. Tax. Audit.

AFSL 289 358

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Liability limited under a scheme approved under Professional Standards Legislation.

## 1.2 Outline of the Schemes

Decmil has entered into a SID with Macmahon, under which it is proposed that Macmahon will acquire all of Decmil's fully paid ordinary shares and RCPS by way of two separate, inter-conditional, contemporaneous schemes of arrangement (being the Ordinary Scheme and RCPS Scheme).

Detailed below are Decmil's issued securities. Decmil's current issued securities consist of 155,586,158 ordinary shares, 131,342,687 redeemable convertible preference shares, 4,593,238 unlisted options, four warrants (exercisable into an aggregate of 50,769,231 Decmil Shares) and 38,413,631 performance rights.

	<b>As at 23 May 2024</b>
Fully paid ordinary shares	155,586,158
Redeemable Convertible Preference Shares	131,342,687
Options	4,593,238
Warrants <sup>1</sup>	4
Performance rights	38,413,631

<sup>1</sup> The warrants are exercisable into an aggregate of 50,769,231 Decmil Shares  
Source: Decmil's securities register as at 23 May 2024 and NPCF analysis

Under the terms of the Ordinary Scheme, holders of Decmil Shares on the second business day after the date the Ordinary Scheme and the RCPS Scheme become effective (the 'Record Date') will be entitled to receive \$0.30 per Decmil Share (the 'Ordinary Scheme Consideration'), subject to all applicable conditions being satisfied or waived and the Ordinary Scheme being implemented.

Under the terms of the RCPS Scheme, holders of Decmil RCPS at the Record Date will be entitled to receive the aggregate of \$0.343 per Decmil RCPS (the 'RCPS Scheme Consideration'), comprising \$0.335 per Decmil RCPS and an amount equal to \$0.008 per Decmil RCPS (in compensation for the dividend that would otherwise have been earned by each RCPS Holder), subject to all applicable conditions being satisfied or waived and the RCPS Scheme being implemented.

The Ordinary Scheme and RCPS Scheme are conditional on a number of matters including:

- court approval of the Schemes;
- ASIC and ASX approvals;
- Decmil Shareholder approval of the Ordinary Scheme by the requisite majorities;
- Decmil RCPS Holders approval of the RCPS Scheme by the requisite majorities;
- the independent expert's report concluding (and continuing to conclude) that the Schemes are in the best interests of Decmil Shareholders and RCPS Holders;
- the holders of Decmil options entering into deeds under which all of the Decmil options will be cancelled on the day immediately prior to the Record Date, conditional on the Schemes becoming effective, for the consideration detailed below;
- the holders of Decmil warrants entering into deeds under which all of the Decmil warrants will be cancelled on the day immediately preceding the Record Date, conditional on the Schemes becoming effective, for consideration detailed below;
- the holders of Decmil performance rights (issued pursuant to Decmil's annual general meeting held on 12 October 2023, with the exception of those held by Andrew Barclay) entering into deeds under which all of the performance rights will be cancelled for the consideration detailed below, with effect from the

day immediately preceding the Record Date, conditional on approval being obtained at the Scheme meetings and the second court date;

- no material adverse change, prescribed event, or event of insolvency (each as defined in the SID) occurring in respect of Decmil; and
- other customary conditions.

Full details of the terms and conditions of the Schemes are set out in the SID announced on 16 April 2024. The SID also details how the Decmil securities that are not the subject of the relevant Schemes will be treated, which is as follows:

- all Decmil options to acquire shares shall be cancelled for consideration to be paid by Macmahon. The holders of options that are in the money will receive consideration of \$0.30 per option held less the option exercise price of each cancelled option, and holders of options that are out of the money shall be cancelled for zero consideration ('Decmil Option Consideration');
- Macmahon will pay the holders of Decmil warrants an aggregate of \$5,904,461.50 in consideration for the cancellation of all of the warrants that are on issue ('Decmil Warrant Consideration');
- all Decmil performance rights issued to eligible participants following the annual general meeting on 12 October 2023 (with the exception of those held by Andrew Barclay), which total 17,706,174, shall be cancelled for consideration, being 1.27 fully paid ordinary shares in Macmahon for each performance right held, which are subject to escrow periods. The shares will be held by the Macmahon employee share trust and, subject to the relevant holder remaining an employee of Macmahon, or being a "good leaver", will be transferred to the holder on relevant escrow dates; and
- all other Decmil performance rights issued (including those issued to Andrew Barclay following the annual general meeting on 12 October 2023), which total 20,707,457, shall vest and convert into Decmil Shares following Decmil's Shareholders and RCPS Holders approving the Schemes, so that the holders of these Decmil performance rights can participate as Decmil Shareholders in the Ordinary Scheme.

If the Schemes are not implemented a reimbursement fee representing 1% of the aggregate Ordinary Scheme Consideration and RCPS Scheme Consideration may become payable by either party in certain circumstances.

Decmil, certain members of Decmil and Macmahon entered into a bond facility agreement ('BFA') on or around 30 May 2024, pursuant to which Macmahon may (if requested by Decmil and approved by Macmahon) arrange the issue of bonds required by counterparties to Decmil's operational contracts. The BFA was entered into to assist Decmil to compete more effectively for work (including by tendering for new contracts) and to comply with Decmil's obligations to provide bank guarantees and performance bonds under existing contracts. The bond facility is an uncommitted facility with a limit of \$20 million.

Amongst other conditions, the BFA will terminate on the date that is the earlier of:

- the date which is six months after the implementation date of the Schemes; or
- the date which is 60 days after the date on which the SID is terminated.

The conditions precedent for drawing and other terms of the BFA are set out in the Scheme Booklet.

## **2. PURPOSE OF REPORT AND BASIS OF ASSESSMENT**

### **2.1 Purpose of Report**

The purpose of this Report is to advise the Shareholders and RCPS Holders of Decmil on the fairness and reasonableness of the Schemes and whether or not the Schemes are in the best interests of the Shareholders and RCPS Holders.

The Ordinary Scheme and RCPS Scheme are to be implemented by way of schemes of arrangement under Section 411 of the Corporations Act 2001 (Cth) ('Corporations Act') and require the approval of Shareholders and RCPS Holders, respectively.

Under a scheme of arrangement, the prescribed information to be sent to shareholders is detailed in Part 3 of Schedule 8 of the Corporations Regulations 2001 ('Corporations Regulations'). Regulation 8303 of the Corporations Regulations requires that an independent expert's report accompany the information provided to shareholders if the other party to the scheme of arrangement holds not less than 30% of the voting shares in the company or where there are common directors in the entities involved in the scheme of arrangement. Regulation 8303 requires an independent expert's report must state whether or not the proposed scheme of arrangement is in the best interest of the shareholders and set the reasons for that opinion.

As Macmahon does not hold 30% or more of Decmil's voting shares and there are no common directors of Decmil and Macmahon, there is no requirement under the Corporations Regulations to provide an independent expert's report. However, the directors of Decmil have requested NPCF to prepare an independent expert's report, the purpose of which is to provide an independent opinion as to whether or not the Schemes are fair and reasonable and in the best interests of the Shareholders and RCPS Holders.

The conditions precedent to the Schemes are detailed in the SID and include the requirement that independent expert's report concludes that the Schemes are in the best interests of Decmil Shareholders and RCPS Holders.

This Report is prepared in accordance with Section 411 of the Corporations Act and guidance of Australian Securities and Investments Commission's ('ASIC') Regulatory Guide 60 Schemes of arrangement ('RG 60'), Regulatory Guide 111 Content of expert report ('RG 111') and Regulatory Guide 112 Independence of experts ('RG 112').

### **2.2 Basis of assessment**

RG 111 provides guidance to experts on how to draft an expert report that satisfies the requirements of the Corporations Act. RG 111 focuses on reports prepared for transactions under Chapters 2E, 5, 6 and 6A of the Corporations Act, whether they are required by the Corporations Act or are commissioned voluntarily.

Paragraphs RG 111.18 to RG 111.23 provide guidance on control transactions by way of a scheme of arrangement. A control transaction, when a person acquires, or increases, a controlling stake in a company can be achieved by a number of different legal mechanisms, including a takeover bid, a scheme of arrangement, approval of an issue of shares using item 7 of s611 and a selective capital reduction or selective buy-back. The regulatory guide states that when analysing control transactions an expert needs to focus on the substance of the control transaction, rather than the legal mechanism used to effect it.

Paragraphs RG 111.18 states that where a scheme of arrangement is used as an alternative to a takeover bid under Chapter 6 of the Corporations Act, the form of analysis can be substantially the same as for a takeover bid under Chapter 6. In this case, the expert is expected to apply the analysis and provide an opinion as to whether the proposal is 'fair and reasonable' as set out in paragraphs RG 111.10 to RG 111.17. However, references to the 'bidder' and the 'target' should be taken to mean the 'other party' and 'company

that is the subject of the proposed scheme', respectively. Paragraph RG 111.10 states that the 'fair and reasonable' phrase is not regarded as a compound phrase. There should be a separate assessment of whether the transaction is 'fair' and 'reasonable'.

Paragraph RG 111.11 states an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities, the subject of the offer. This comparison should be made:

- assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and
- assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash.

An offer is 'reasonable' if it is fair, but it might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

Paragraph RG 111.20 states that if an expert would conclude that a proposal was 'fair and reasonable' if it was in the form of a takeover bid, it will also be able to conclude that the scheme is in the best interests of the members of the company. Paragraph RG 111.21 states that if an expert would conclude that the proposal was 'not fair but reasonable' if it was in the form of a takeover bid, it is still open to the expert to also conclude that the scheme is 'in the best interests of the members of the company'.

### **2.3 Conduct of our assessment**

We have assessed the Ordinary Scheme and RCPS Scheme as being:

- 'fair' if the value of the Ordinary Scheme Consideration is equal to or greater than the fair value of a share in Decmil on a control basis and the value of the RCPS Scheme Consideration is equal to or greater than the fair value of a Decmil RCPS on a control basis; and
- 'reasonable' if the Ordinary Scheme and RCPS Scheme are fair, or despite not being fair, after considering other significant factors, we believe there are sufficient reasons for Shareholders to approve the Ordinary Scheme and RCPS Holders to approve the RCPS Scheme, in the absence of a superior offer.

This engagement is conducted in accordance with Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

## **3. SUMMARY AND OPINION**

This section is a summary of our opinion and cannot substitute for a complete reading of this Report. Our opinion should be read in conjunction with this Report in its entirety. Our opinion is based solely on information available as at the date of this Report.

In our opinion, the Ordinary Scheme is fair and reasonable. As the Ordinary Scheme is fair and reasonable, it is in the best interests of Shareholders, in the absence of a superior offer.

In our opinion, the RCPS Scheme is fair and reasonable. As the RCPS Scheme is fair and reasonable, it is in the best interests of RCPS Holders, in the absence of a superior offer.

The principal factors that we have considered in forming our opinion are summarised below.

### **3.1 Assessment of Fairness of the Ordinary Scheme**

In determining whether or not the Ordinary Scheme is fair to Shareholders, we have compared the fair value of a Decmil Share on a control basis to the value of the Ordinary Scheme Consideration as follows.

	Ref	Low	Preferred	High
Value per Decmil Share on a control basis	8.2	\$0.241	\$0.293	\$0.347
Value of the Ordinary Scheme Consideration	1.2	\$0.300	\$0.300	\$0.300

Source: NPCF analysis

The analysis shows that the Ordinary Scheme Consideration is within the range that we have assessed as the fair value of a Decmil Share on a control basis. **Therefore, we have concluded that the Ordinary Scheme is fair to Shareholders.**

### 3.2 Assessment of Fairness of the RCPS Scheme

In determining whether or not the RCPS Scheme is fair to RCPS Holders, we have compared the fair value of a Decmil RCPS on a control basis to the value of the RCPS Scheme Consideration as follows.

	Ref	Low	Preferred	High
Value per Decmil RCPS on a control basis	8.2	\$0.290	\$0.341	\$0.395
Value of the RCPS Scheme Consideration	1.2	\$0.343	\$0.343	\$0.343

Source: NPCF analysis

The analysis shows that the RCPS Scheme Consideration is within the range that we have assessed as the fair value of a Decmil RCPS on a control basis. **Therefore, we have concluded that the RCPS Scheme is fair to RCPS Holders.**

### 3.3 Assessment of Reasonableness of the Schemes

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, there are sufficient reasons for Shareholders to approve the Ordinary Scheme and RCPS Holders to approve the RCPS Scheme, in the absence of any alternative offers.

In forming our opinion, we have considered the following relevant advantages and disadvantages of the Ordinary Scheme and RCPS Scheme (see section 11).

Advantages of the Schemes	Disadvantages of the Schemes
<ul style="list-style-type: none"> <li>• Shareholders and RCPS Holders are receiving a premium for their Decmil Shares and Decmil RCPS respectively; and in the absence of the Schemes or a similar transaction, Shareholders and RCPS Holders, by selling their Decmil Shares and Decmil RCPS respectively in an open stock market, can only realise their investment at a price which does not include any premium for control.</li> <li>• Decmil had approximately \$185 million in tax losses which are not reflected in the Company's share price until they are utilised but the Schemes may allow a portion of these tax losses to be crystallised for Shareholders and RCPS Holders through the premium paid for their Decmil Shares and Decmil RCPS;</li> </ul>	<ul style="list-style-type: none"> <li>• Shareholders and RCPS Holders will no longer be able to participate in the future returns or upside potential of Decmil once they accept the offer under the Schemes as they will no longer hold Decmil Shares and Decmil RCPS respectively;</li> <li>• Whilst the Schemes allows Shareholders and RCPS Holders to crystallise their investment, the acceleration to exit their investment in this manner may or may not be their preference; and</li> <li>• Shareholders and RCPS Holders may prefer to wait for a superior offer to emerge in the near future.</li> </ul>

Advantages of the Schemes (continued)	Disadvantages of the Schemes (continued)
<ul style="list-style-type: none"> <li>• Decmil Shares and Decmil RCPS have not been liquid and this may give rise to the price of Decmil Shares and Decmil RCPS not fully reflecting their value and likely trade at a discount to their intrinsic fair values;</li> <li>• Whilst Decmil’s recent improvement in profitability brings optimism of improved earnings for its construction and engineering business, there is no guarantee that this will continue and there is no certainty that Decmil’s share price and RCPS price will not fall from current levels;</li> <li>• The Schemes provide an opportunity for Shareholders and RCPS Holders to crystallise their investment and receive cash for their Decmil Shares and Decmil RCPS respectively; and</li> <li>• The Schemes also allow Shareholders and RCPS Holders to sell their Decmil Shares and Decmil RCPS respectively without incurring any brokerage charges on the transfers.</li> </ul>	

The Directors have advised us that there are currently no superior offers to the Ordinary Scheme and RCPS Scheme other than the status quo.

We note that the Schemes are inter-conditional. If either of the Schemes are not approved, the transaction will not proceed and each Decmil Shareholder will retain their Decmil Shares and will not receive any Ordinary Scheme Consideration, and each Decmil RCPS Holder will retain their Decmil RCPS and will not receive any RCPS Scheme Consideration.

Also, if the Schemes are not implemented, Shareholders and RCPS Holders of Decmil will continue to remain as Shareholders and RCPS Holders of Decmil, and Decmil will remain listed on ASX and continue to operate as a standalone entity. The consequences of the Schemes not being approved are discussed in section 11.4.

As the Ordinary Scheme is fair, the Ordinary Scheme is reasonable. **As the Ordinary Scheme is fair and reasonable, it is in the best interests of Shareholders, in the absence of a superior offer.**

As the RCPS Scheme is fair, the RCPS Scheme is reasonable. **As the RCPS Scheme is fair and reasonable, it is in the best interests of RCPS Holders, in the absence of a superior offer.**

## 4. LIMITATIONS

### 4.1 Individual shareholders’ circumstances

The ultimate decision whether to approve the Schemes should be based on each security holder’s own assessment of the Schemes and own assessment of their circumstances, including their own risk profile, liquidity preference, tax position and expectations as to value and future market conditions. We strongly recommend that security holders consult their own professional advisers, carefully read all relevant documentation provided, including the Scheme Booklet, and consider their own specific circumstances before voting in favour of or against the Schemes. If in doubt about the Schemes or matters dealt with in this Report, security holders should seek independent professional advice.



#### **4.2 Limitations on reliance on information**

The documents and information relied on for the purposes of this Report are set out in Appendix B. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that documents and material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Schemes are fair and reasonable and in the best interests of the Shareholders and RCPS Holders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose. We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.

An important part of the information used in forming an opinion of the kind expressed in this Report is the opinions and judgement of Directors and management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

NPCF are not the auditors of Decmil or Macmahon. We have analysed and reviewed information provided by the Directors and management of Decmil and made further enquiries where appropriate. Preparation of this Report does not imply that we have in any way audited the accounts or records of Decmil or Macmahon.

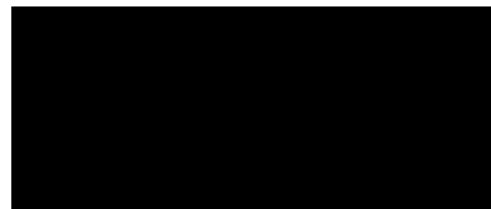
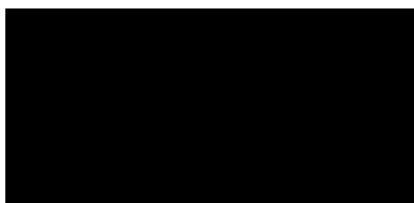
In forming our opinion we have assumed:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Scheme Booklet to be sent to security holders is complete, accurate and fairly represented in all material respects; and
- the publicly available information relied upon by NPCF in its analysis was accurate and not misleading.

This Report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this Report which may impact upon this Report or which may impact upon the assumptions referred to in the Report.

Yours faithfully

**Nexia Perth Corporate Finance Pty Ltd**





## **STRUCTURE OF REPORT**

Our Report is set out under the following headings:

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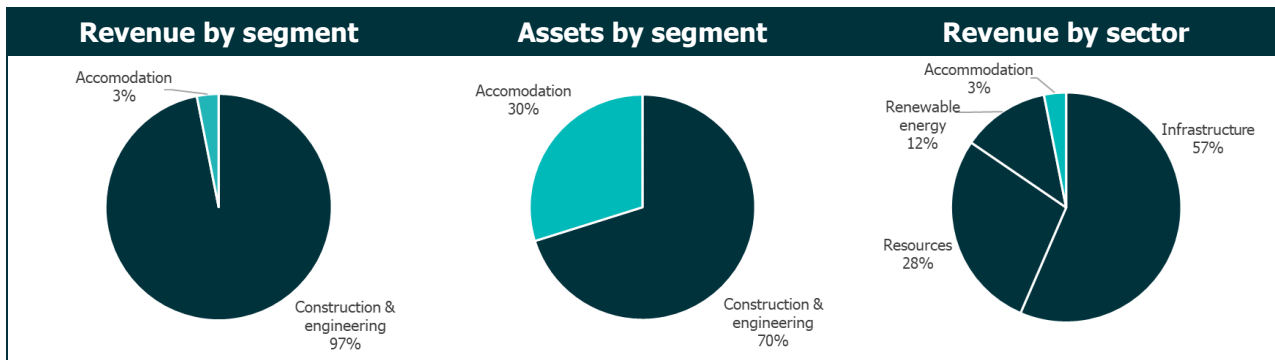
## 5. OVERVIEW OF DECMIL GROUP LIMITED

### 5.1 Company overview

Decmil Group Limited, listed on the ASX in 2005 (ASX code: DCG), provides integrated construction and engineering solutions for multi-disciplinary projects across Australia. Its design, engineering, civil construction and maintenance services focus across three industry sectors: resources, infrastructure and renewable energy.

In addition, through Homeground Villages Pty Ltd, a wholly owned subsidiary, Decmil is the owner operator of the Homeground Gladstone Accommodation Village ('Homeground'), a 1,392 room, fully serviced accommodation village located 25km southwest of Gladstone, Queensland that provides accommodation primarily for workforces servicing and constructing industrial facilities and infrastructure in the Gladstone region.

Based on Decmil's financial results for the half-year ended 31 December 2023, Decmil's split of revenues and assets by segment, and revenues split by sector are shown below:



Source: Decmil's reviewed financial statements for the half-year ended 31 December 2023

Decmil has approximately 310 employees across Australia, and has offices in Victoria, Queensland and Western Australia.

### 5.2 Construction and engineering solutions

The key market sectors that Decmil delivers its integrated design, construction and engineering solutions include resources, infrastructure and renewable energy. Decmil's operations in these sectors are detailed below:

#### 5.2.1 Resources sector

Decmil's resources operations design and deliver projects including non-process infrastructure (such as industrial buildings, storage facilities, control rooms, substations and workshops) and the workforce accommodation and associated facilities. Decmil is experienced in providing projects across a range of resources industries including mining, metals, minerals, and chemicals, including in regional and remote mining regions, and has worked with many of the world's leading mining and resource companies on major projects. With 42 years of operation in the resources industry. Decmil has a very strong position in the market.

Decmil's experience across non-process infrastructure and workforce accommodation is detailed below:

- **non-process infrastructure:** with civil, structural and mechanical experience Decmil provides a large range of non-process infrastructure including design and construction of control rooms, substations, rail

and vehicle workshops, warehouses, supply bases, administration buildings, fuel and lube facilities, laboratories and sample preparation buildings, and fabrication and plant maintenance workshops.

Decmil offers bulk and detailed earthworks, bulk concrete including foundations, walls and structures, construction of Haul and Access roads, in-ground services including stormwater, HV/LV electrical and communications, GRE piping, retaining structures, and process watering and dewatering.

- **workforce accommodation:** with extensive experience in the design and construction of remote accommodation camps and facilities across Australia and Asia Pacific, Decmil designs and constructs fly-camps, temporary or permanent village accommodation and facilities such as offices, gymnasiums, dining facilities, catering facilities, and multipurpose use facilities.

Since the construction of their first accommodation camp in 2000, Decmil has delivered over 20,000 accommodation rooms across Australia and Asia Pacific.

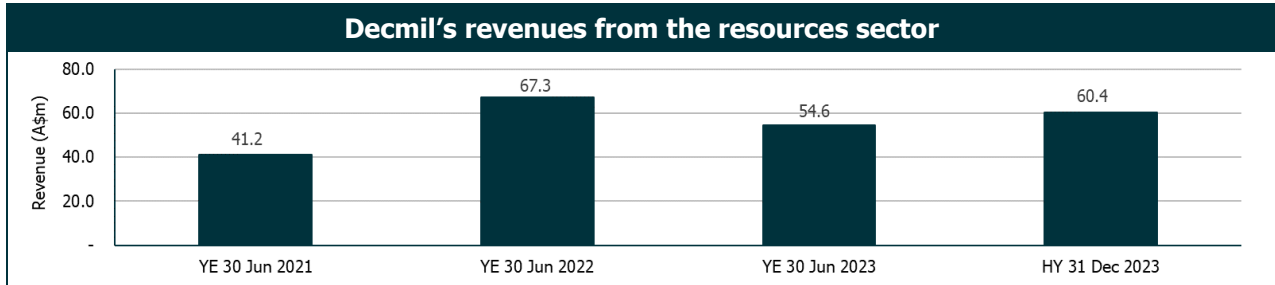
### Key current and recently completed resources projects

	<b>Perdaman CERES Project – Bulk Earthworks</b>	<b>Mount Holland logistics road construction early works</b>	<b>Mount Holland Lithium Project – Kwinana Refinery NPI Buildings</b>
			
<b>Client</b>	Saipem Clough Joint Venture	Covalent Lithium	Covalent Lithium
<b>Scope</b>	Construct only	Construct only	Design and construct
<b>Contract value</b>	\$100-\$200 million	≤\$50 million	≤\$50 million
<b>Start date</b>	August 2023	July 2023	March 2022
<b>Completion date</b>	Current	Current	September 2023
	<b>Talison MSA Project – Technical Services Building</b>	<b>Christmas Creek Hydrogen Refuelling Station Ancil. Works</b>	<b>Mesa J HV &amp; LV Facility</b>
			
<b>Client</b>	Talison Lithium Australia	FMG	Rio Tinto
<b>Scope</b>	Construct only	Construct only	Design and construct
<b>Contract value</b>	≤\$50 million	≤\$50 million	≤\$50 million
<b>Start date</b>	March 2022	January 2022	November 2020
<b>Completion date</b>	April 2023	August 2022	June 2022
	<b>NDA Charlie Washbay Facility</b>	<b>NDA Accommodation Camp and Office Facility</b>	<b>Carmichael Rail Accommodation Camps</b>
			
<b>Client</b>	QGC	QGC	Carmichael Rail Network Pty Ltd
<b>Scope</b>	Design and construct	Design and construct	Design and construct
<b>Contract value</b>	≤\$50 million	≤\$50 million	≤\$50 million
<b>Start date</b>	February 2023	April 2021	September 2019
<b>Completion date</b>	September 2023	April 2023	Current

Source: Decmil and NPCF analysis

### Historical resources sector revenue

Set out below are Decmil’s revenues from the resources sector for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and the half-year ended 31 December 2023:



Source: Decmil’s audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

### Resources sector outlook

The outlook for investment in Australia’s major resources projects is strong. According to management:

- in October 2023, Australia had 86 projects valued at \$77 billion in the committed stage and an additional 46 projects valued at \$30 billion in the advanced feasibility stage;
- Western Australia and Queensland have the highest number of projects, with Western Australia holding over 80% of project value in the committed stage; and
- Decmil is well positioned to deliver bulk earthworks, civil construction and non-process infrastructure works in the resources sector, particularly in Western Australia and Queensland.

#### 5.2.2 Infrastructure sector

Within the infrastructure sector, Decmil provides construction services across all areas of transportation infrastructure. Decmil has supported major government road and rail infrastructure projects across Australia, and has constructed major highway projects including complex interchange designs, various bridges and bridge widenings and road over rail.

In addition, Decmil has delivered industrial buildings, aviation infrastructure, schools, medical centres, community centres and facilities for the commercial sector and government and local councils across Australia, and has provided design, construction and commissioning of fully operational and secure facilities services to support critical defence infrastructure projects.

Decmil’s infrastructure project capabilities include:

- **Roads and bridges:** Decmil has experience across all areas of transportation infrastructure projects of varying scope and complexity. The Company has constructed major highway projects including complex interchange designs. Its bridge construction capabilities include single span and multiple span bridges, suspension bridges, road over rail bridges, bridge rehabilitation, bridge deconstruction, pedestrian bridges, and bridge maintenance and repair.

For road and bridges projects, Decmil has R5/B4/F150+ accreditation by Austroads National Prequalification System. This allows Decmil to bid on all significant Australian Government road and bridge contracts.

- **Rail:** the design and construction, and upgrading/refurbishment of railway infrastructure, such as stations, platforms, parking stations, bridges, control rooms, locomotive facilities and rail car workshops.

- **Airports:** Decmil has design and construction project experience for airports of all sizes, ranging from remote airport runway construction to the construction of new terminal buildings and associated facilities such as baggage handling systems, check in areas, airport security systems, staff rooms, airport communication services, PA systems and fire detection services.
- **Building construction:** Decmil has designed and built accommodation units, civic centres, libraries, cinemas, sporting facilities, gymnasiums, medical and healthcare centres, and training and education facilities, for the commercial sector and government and local councils across Australia.

Decmil’s healthcare projects cover aged care facilities through to hospitals and medical centres, and include projects in remote and offshore locations for both private and resources sector clients. It has the capability to offer modular solutions incorporating standardised core components for a high quality, economical, accelerated delivery. In the education sector, Decmil’s design and construction services includes prefabricated building systems, custom designed education precincts, outdoor learning areas, extensions and refurbishments.

To support its building activities, Decmil and its employees hold a number of building licences and registrations across Queensland, South Australia, Victoria and Western Australia.

### Key current and recently completed infrastructure projects

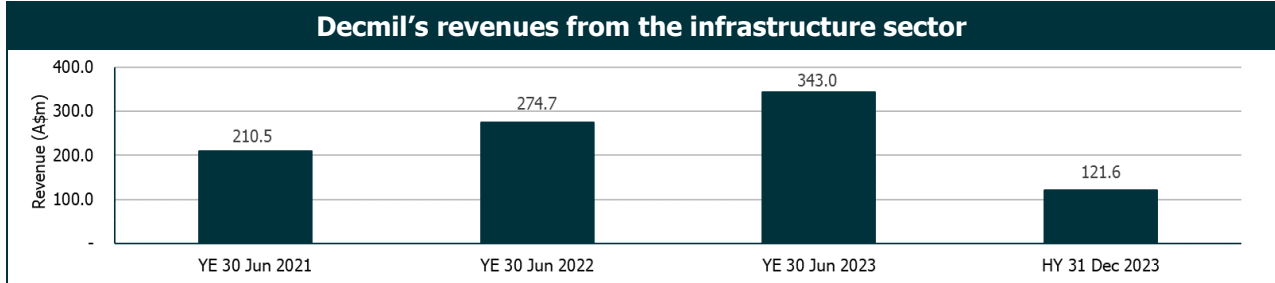
	Albany Ring Road	Ison Road Overpass	Barwon Heads Road Upgrade
			
<b>Client</b>	Main Roads Western Australia	Major Road Projects Victoria	Major Roads Projects Victoria
<b>Scope</b>	Design and construct	Design and construct	Design and construct
<b>Contract value</b>	\$100-\$200 million	\$50-\$100 million	\$50-\$100 million
<b>Start date</b>	September 2020	December 2023	July 2021
<b>Completion date</b>	Current	Current	August 2023
	Structures Rehabilitation–North & South East	Mitchell Freeway Principal Shared Path	Bruce Highway Upgrade
			
<b>Client</b>	Major Road Projects Victoria	Main Roads Western Australia	Dept of Transport and Main Roads
<b>Scope</b>	Design and construct	Construct only	Construct only
<b>Contract value</b>	≤\$50 million	≤\$50 million	≤\$50 million
<b>Start date</b>	February 2022	January 2022	April 2021
<b>Completion date</b>	December 2022	April 2023	March 2023
	Florin Apartments	Karratha Senior High School Expansion	Pundulmurra TAFE Expansion
			
<b>Client</b>	Stirling Parkside	Department of Finance	Department of Finance
<b>Scope</b>	Design and construct	Construct only	Construct only
<b>Contract value</b>	≤\$50 million	≤\$50 million	≤\$50 million
<b>Start date</b>	July 2022	March 2022	June 2022
<b>Completion date</b>	Current	December 2023	Current

Source: Decmil and NPCF analysis



### Historical infrastructure sector revenue

Set out below are Decmil's revenues from the infrastructure sector for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and the half-year ended 31 December 2023:



Source: Decmil's audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

### Infrastructure sector outlook




Regarding the outlook for Australia's infrastructure sector, management has highlighted:

- demand for government infrastructure capital projects in Australia is expected to remain robust for the next three to five years;
- across Australia, there is a combined infrastructure pipeline valued at \$691 billion, with transport infrastructure representing \$211 billion; and
- Decmil is prequalified to deliver government infrastructure projects as it holds R5/B4/F150+ Austroads Prequalification accreditation.

#### 5.2.3 Renewable energy sector

Decmil offers Balance of Plant works (being the supporting systems and infrastructure that the power plant requires) and provides feasibility, engineering, project management and construction services for the renewable energy sector including solar, wind and battery. Decmil has been involved in some of Australia's largest solar and wind farms. In addition, Decmil has delivered works across oil and gas projects, specialising in construction and engineering that supports coal seam gas and liquified natural gas projects.

### Key current and recently completed energy projects

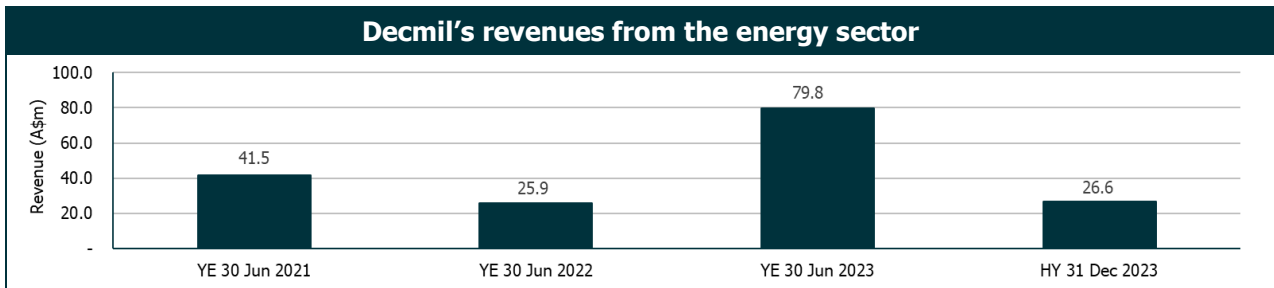
	Warradarge Wind Farm	Yandin Wind Farm	Ryan Corner Wind Farm
			
<b>Client</b>	Vestas Australia Wind Technology	Vestas Australia Wind Technology	Ryan Corner Development
<b>Scope</b>	Civil Balance of Plant	Civil Balance of Plant	Civil Balance of Plant
<b>Contract value</b>	\$50-\$100 million	\$50-\$100 million	\$100-\$200 million
<b>Start date</b>	March 2019	April 2019	March 2021
<b>Completion date</b>	September 2020	September 2020	December 2023

	Sunraysia Solar Farm	QGC Wellsite Installation Services	QGC Brownfields Maintenance
<b>Client</b>	Maoneng Australia	QGC	QGC
<b>Scope</b>	Engineer, procure and construct	Schedule of rates	Schedule of rates
<b>Contract value</b>	\$200-\$500 million	\$200-\$500 million	\$100-\$200 million
<b>Start date</b>	October 2018	November 2012	June 2016
<b>Completion date</b>	December 2019	February 2018	October 2020

Source: Decmil and NPCF analysis

### Historical energy sector revenue

Set out below are Decmil's revenues from the energy sector for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and the half-year ended 31 December 2023:



Source: Decmil's audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

### Renewable energy sector outlook

Decmil is well established to service the increasing renewable energy project demands in Australia. Management highlighted:

- Federal Government is targeting 82% renewable energy by 2030. A gap in approvals in the last 18 months has put pressure on Government to approve renewable projects to meet the Federal target;
- Decmil is well positioned to provide feasibility and early works for wind farm projects; and
- Decmil is regarded as an experienced and reliable partner to deliver Balance of Plant services for wind farm projects across Australia.

### 5.3 Homeground Gladstone Accommodation Village

Decmil owns the Homeground Gladstone Accommodation Village, which is a 1,392 room, fully serviced accommodation village located 25km southwest of the port city of Gladstone, Queensland. It provides accommodation primarily for workforces servicing and constructing industrial facilities and infrastructure in the Gladstone region.

Gladstone is the largest multi-industry port in Australia and is the key energy hub for the East Coast of Australia. With an existing pipeline, industrial and port infrastructure Gladstone is best located for new energy projects. Homeground Gladstone is the only accommodation facility in the greater Gladstone area that can accommodate larger workforces and is ideally suited to house workers on large capital projects or major maintenance shutdowns.

### Overview of Homeground



Homeground’s air-conditioned rooms feature modern telecommunication services, free wireless internet, and cleaning and laundry facilities.

The site includes on-site chefs and a dining room, a swimming pool, tennis court, basketball court, gym, onsite personal trainers, recreation centre, theatre room, licensed tavern and games room.

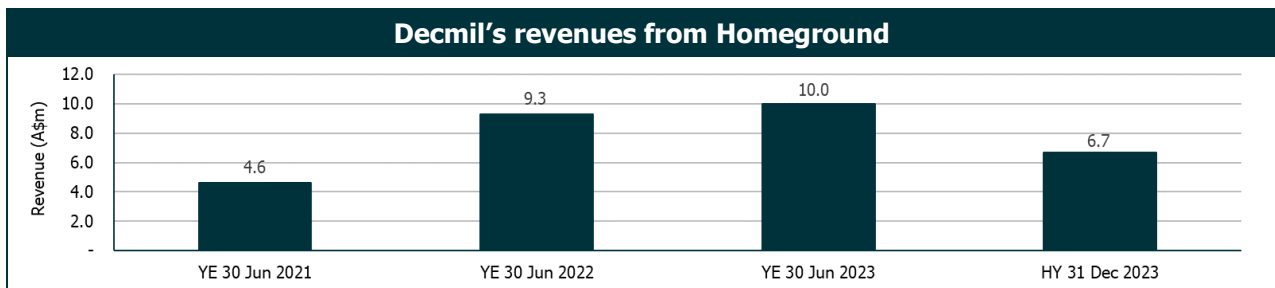
Other services include on-site security and first aid personnel, ground maintenance, and parking and shuttle buses.

Source: Decmil

In the past, Decmil has undertaken processes to sell Homeground. The most recent was initiated in May 2022. Whilst Decmil received expressions of interest, including on the basis of an outright sale and a sale & leaseback transaction, the sale process was not successful.

### Historical Homeground revenue

Set out below are Decmil’s revenues from Homeground for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and the half-year ended 31 December 2023:



Source: Decmil’s audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

### Outlook for projects in the Gladstone region

After almost a decade of limited activity, Homeground’s occupancy levels are starting to increase as large capital projects in the Greater Gladstone region are planned and commencing. For example, the Fitzroy water pipeline, Acciona’s Aldoga solar farm, the Upper Caliope Solar Farm (underwritten with a power purchasing agreement from Rio Tinto, construction due to start in 2025 or 2026), the H2-Hub Gladstone, Stanwell’s Central Queensland Hydrogen Project, Fortescue Future Industries’ electrolyser facility and the rebuild of CS Energy’s Callide Power station. Also, a nationwide accommodation shortage has driven additional bookings.

### 5.4 Decmil’s history

Key events of Decmil’s history over the last five years are summarised as follows:



Key date	Event summary description
March 2019	<p>Decmil announced that, in joint venture with McConnell Dowell, it has been appointed preferred tenderer by Major Road Projects Victoria for the Mordialloc Freeway project.</p> <p>Decmil announced that it has been awarded a \$72 million contract for balance of plant works at the Warradarge Wind Farm in Western Australia.</p> <p>Decmil announced that it has been awarded a \$46 million contract for Main Roads Western Australia.</p>
April 2019	<p>Decmil announced that it has been awarded a \$105 million contract for Major Road Projects Victoria for Stage 2 of the Plenty Road Upgrade.</p> <p>Decmil announced that it has been awarded a ~\$79 million contract for balance of plant works at the Yandin Wind Farm in Western Australia.</p>
October 2019	<p>Decmil announced that the Decmil joint venture with McConnell Dowell was awarded the main works contract for the Mordialloc Freeway project in Victoria valued at \$417 million. Decmil has a 40% share in the joint venture.</p>
November 2019	<p>Decmil announced the award of two packages of work for the Carmichael Rail Network, Queensland. The first package is a design and construct construction contract for rail accommodation valued at approximately \$40 million. The second package is an initial \$1.4 million Early Contractor Services contract to scope the bulk earthworks required along the primary freight rail alignment.</p>
December 2019	<p>Decmil announced that all plant, equipment and components necessary for the operation of the Works necessary to achieve Substantial Completion of the Sunraysia solar farm project were complete. Notwithstanding this, Substantial Completion requirements of the contract can only be satisfied following the obtaining of R1 registration of the project, which was yet to be obtained.</p> <p>Decmil provided an update to the market that it was in discussions with the New Zealand Department of Corrections regarding the Rapid Deployment Prisons program. Both parties had previously agreed to a process to "reset" the contract, given multiple variations and delivery challenges, and in November 2019, the Department of Corrections informed Decmil that it was no longer prepared to continue the reset process.</p>
February 2020	<p>Decmil announced that its Rapid Deployment of Prisons project contract with the New Zealand Department of Corrections is at an end.</p>
March 2020	<p>Decmil provided an update to the market in relation its Rapid Deployment of Prisons project for the Department of Corrections in New Zealand, including that Decmil will make full provision in its accounts for moneys that remain unpaid under the contract, which total approximately \$50 - \$60 million.</p>
April 2020	<p>Decmil announced that its New Zealand subsidiary Decmil Construction NZ Limited will cease trading, but that Decmil's core Australian operations are not impacted by the closure.</p> <p>Decmil announced a significant boost to its order book with two new projects in Queensland and Western Australia worth \$36 million.</p>
May 2020	<p>Decmil launched a capital raising to strengthen its balance sheet and provide working capital to pursue profitable new contract opportunities. The equity raising is being undertaken by way of an accelerated pro rata non-renounceable entitlement offer on the basis of 4.2 new shares for every 1 existing share at an issue price of \$0.05 per new share to raise up to approximately \$50 million.</p>
June 2020	<p>Decmil announced the successful completion of the bookbuild for the underwritten institutional component of the 4.2 for 1 pro rata non-renounceable entitlement offer to raise approximately \$30 million. In addition, Decmil received commitments to partially underwrite up to approximately \$11 million of the retail component of the entitlement offer, which is seeking to raise up to approximately \$20 million.</p> <p>Decmil announced the retail entitlement offer has been successfully completed as well as additional placement to cornerstone sub-underwriters, taking total funds raised under the entitlement offer to \$52.4 million (before expenses).</p>
July 2020	<p>Decmil announced that the Western Australian Government has named the Company as preferred proponent to build a \$175 million ring road around Albany, Western Australia. Construction is scheduled to commence in September 2020 and run through to 2023, and the contract is to be completed in two phases.</p>

Key date	Event summary description
September 2020	<p>Decmil announced that it has been awarded a circa \$41 million contract to undertake non-mining process infrastructure works at the US\$2.6 billion Iron Bridge Magnetite Project in the Pilbara region of Western Australia.</p> <p>Decmil announced that the Western Australian Government has awarded the Company the Phase One works to construct a ring road around Albany, Western Australia. The contract for the Phase One works is valued at approximately \$55 million.</p>
October 2020	<p>Decmil announces a shareholder resolution for a 10 into 1 consolidation of its shares, options and performance rights.</p> <p>Decmil announced that it has secured an \$8.7 million contract from Rio Tinto to design and construct a laboratory facility at the Mesa A iron ore mine in the Pilbara region of Western Australia.</p>
November 2020	<p>Decmil announced that it has secured a \$30 million contract from Rio Tinto to design and construct heavy vehicle and light vehicle facilities at the Mesa J iron ore mine in the Pilbara region of Western Australia.</p> <p>Decmil announced that it has been awarded approximately \$51 million in works as part of the balance of plant contract at the Ryan Corner Windfarm in Victoria.</p>
March 2021	<p>Decmil announced that its VicConnect consortium with UGL and Arup has been awarded a ~\$300 million contract by Rail Projects Victoria to upgrade Victoria's Gippsland railway line. Decmil's share of the contract is ~\$140 million.</p> <p>Decmil announced that it has secured a ~\$25 million contract from the Queensland Department of Transport and Main Roads to upgrade a stretch of the Bruce Highway from Gin Gin to Benaraby.</p>
June 2021	<p>Decmil announced it has secured contracts in the energy and infrastructure sectors (an accommodation village contract with QGC and Great Eastern Highway WA Wooroloo realignment with Main Roads WA), with combined revenue of approximately \$47 million.</p> <p>Decmil announced it has extended its banking facility until 31 July 2023. The facility comprises a \$40 million commitment which includes an overdraft facility, bank guarantee facility, accounts receivable financing and letter of credit facility.</p>
July 2021	<p>Decmil announced it had agreed a \$20m debt financing and \$10m equity placement to fund its growth working capital requirements. In addition, a share purchase plan will also be undertaken to raise a further \$2m. The debt facility comprises a \$20 million subordinated debt facility with attaching warrants.</p>
August 2021	<p>Decmil announced that it has been awarded an engineering, procurement and construction contract worth up to \$23 million, to deliver the civil balance of plant works for the Crookwell 3 Wind Farm Project.</p>
September 2021	<p>Decmil announced that it has been awarded a "construct only" contract worth up to \$28.2 million, to deliver the Roy Hill-Munjina Road alignment works.</p> <p>Decmil announced that it has been awarded a \$88.7 million contract by Major Road Projects Victoria for the Barwon Heads Road Upgrade Work Package 1, between Settlement Road and Barwarre Road.</p>
January 2022	<p>Decmil announced that following the completion of performance testing, the relevant authorities have confirmed that the Sunraysia Solar Farm has satisfactorily completed the required Hold Point testing. Additionally, Main Roads, Western Australia has awarded Decmil a \$23.3 million contract for the construction of the Mitchell Freeway Principal Shared Path from Civic Place to Reid Highway, including the construction of an underpass and intersection improvements.</p> <p>Decmil announced that it has secured a \$18.1 million contract from the Town of Port Hedland to construct a new Port Hedland Community Centre building complex.</p>
February 2022	<p>Decmil announced that it has achieved substantial completion of the Company's EPC contract for the Sunraysia Solar Farm, following receipt of Substantial Completion Certificate from the client. The achievement of this milestone will facilitate a transition into the 5-year Operation and Maintenance Contract.</p>
April 2022	<p>Decmil announced that it has secured two separate contracts valued at \$34 million for the construction of non-process infrastructure buildings in the lithium sector.</p>
May 2022	<p>Decmil announced that it has engaged Colliers to conduct a sales process for the Homeground Gladstone Accommodation Village.</p>

Key date	Event summary description
June 2022	Decmil announced that following the successful progress and completion of most parts of Stage 1 of the Albany Ring Road Project, the Company has been awarded the second phase of the Albany Ring Road project by Main Roads Western Australia. The contract value of the second phase is \$98 million. In addition, Decmil announced it had agreed with the lenders of the \$20 million subordinated debt facility to reduce the coupon rate, extend the loan maturity and waive certain covenants in exchange issuing additional attaching warrants.
August 2022	Decmil announced that it has agreed a full and final settlement of its dispute with Southern Cross Electrical Engineering Limited regarding the subcontract between them for works at Rio Tinto's Amrun mine project in Queensland.
October 2022	Decmil announced that it has reached an agreement with Schneider Electric Australia Pty Ltd to conclude their dispute in relation to the Supply Contract at the Sunraysia Solar Farm project in New South Wales. In addition, Decmil announced that the Company, together with RJE Global, has been advised of conditional preferred status as Balance of Plant contractor for the construction of the 108 MW Waddi Wind Farm in Western Australia. Also, that the Company has been awarded an Early Contractor Involvement contract by Roy Hill Infrastructure to provide Early Design Development Services for its Rolling Stock Maintenance Workshop upgrade.
June 2023	Decmil launched a partially underwritten \$26.3 million equity capital raising comprising the issue of approximately 131.4 million Redeemable Convertible Preference Shares at an issue price of \$0.20 per RCPS.
July 2023	Decmil announced its RCPS capital raising fully was subscribed.
August 2023	Decmil announced that it has received a \$84 million contract award at Perdaman Industries' Ceres Urea Plant Project located on the Burrup Peninsula in Western Australia.
December 2023	Decmil announced that it has been awarded a \$78 million contract by Major Road Projects Victoria for the Ison Road Rail Overpass project.
April 2024	Decmil announced that it had entered into a Scheme Implementation Deed with Macmahon Holdings Limited under which it is proposed that Macmahon will acquire all fully paid ordinary shares in Decmil for \$0.30 per Decmil Share and all Decmil RCPS for \$0.343 per Decmil RCPS.

Source: ASX Announcements

## 5.5 Directors and key management

Below is a table of the directors and key management personnel of Decmil:

Name	Position
Andrew Barclay	Chairman
Rod Heale	Chief Executive Officer and Executive Director
Peter Thomas	Chief Financial Officer and Executive Director
David Steele	Non-Executive Director
Vin Vassallo	Non-Executive Director
Peter Coppini	Company Secretary

## 5.6 Financial information

Set out below are the audited consolidated financial statements for Decmil and its subsidiaries (the 'Group') for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023 ('FY 2021', 'FY 2022' and 'FY 2023', respectively) and the Group's reviewed consolidated financial statements for the half-year ended 31 December 2023 ('HY 2024').

The audit reports for FY 2021, FY 2022 and FY 2023 were unqualified, and in its independent auditor's review report for HY 2024, Decmil's auditors concluded that in their review, which was not an audit, they did not become aware of any matter that made them believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001.

The independent auditor's report for FY 2023 contained key audit matters ('KAM') with regards:

- to the Group's recognition of revenue from construction and engineering contracts, and the assessment of all factors relevant to each contract, due to the number and type of estimation events over the course of the contract life, the unique nature of individual contract conditions, leading to complex and judgmental revenue recognition from contracts;
- to the non-current asset held-for-sale, being the property owned in the Homeground Accommodation Village in Gladstone, due to the material balance to the Group's financial position, in particular, the net current asset balance; and
- to the impairment of intangible assets and the carrying amount of goodwill due to the size of the goodwill balance and because the directors' assessment of the value-in-use of the cash generating unit involves significant management judgement about the identification of the cash generating unit, the future underlying cash flows of the business and the discount rate applied.

The independent auditor's report for FY 2022 contained the same KAMs as FY 2023 with regards to recognition of revenue from construction and engineering contracts, the non-current asset held-for-sale, and the impairment of intangible assets and the carrying amount of goodwill. In addition, the independent auditor's report for FY 2022 contained a KAM with regards to going concern and the loss of \$103,230,000 incurred for the year ended 30 June 2022 due to the significant judgements involved in preparing the cash flow forecast that was used by the directors in preparing the financial report on a going concern basis.

The independent auditor's report for FY 2021 contained the same KAMs as FY 2023 with regards to recognition of revenue from construction and engineering contracts, the non-current asset held-for-sale, and the impairment of intangible assets and the carrying amount of goodwill. In addition, the independent auditor's report for FY 2021 contained a KAM with regards to recognition of deferred tax assets due to management's assessment as to whether the deferred tax assets satisfy the probability criteria that future taxable income will be available to utilise this asset involves judgement about the future profitability of the Group.

#### 5.6.1 Consolidated Statement of Profit or Loss and Other Comprehensive Income

Set out below is Decmil's audited Consolidated Statement of Profit or Loss and Other Comprehensive Income for FY 2021, FY 2022 and FY 2023, and reviewed Consolidated Statement of Profit or Loss and Other Comprehensive Income for HY 2024:

In A\$000s	Note	Audited FY 2021	Audited FY 2022	Audited FY 2023	Reviewed HY 2024
Revenue	a)	303,722	377,597	489,167	215,254
Cost of sales	b)	(279,448)	(393,358)	(452,171)	(203,869)
<b>Gross profit/(loss)</b>	c)	<b>24,274</b>	<b>(15,761)</b>	<b>36,996</b>	<b>11,385</b>
Other income	d)	-	-	-	6,141
Administration expenses	e)	(26,229)	(27,476)	(27,139)	(14,328)
Equity based payments		(150)	(431)	(857)	(621)
<b>Earnings/(loss) before interest, tax, depreciation, amortisation and impairments</b>		<b>(2,105)</b>	<b>(43,668)</b>	<b>9,000</b>	<b>2,577</b>
Interest received		32	17	2	1
Borrowing costs	g)	(4,355)	(5,882)	(5,255)	(2,590)
Depreciation and amortisation expense		(5,028)	(5,691)	(5,591)	(1,828)
Impairment of intangible assets	f)	-	(25,482)	-	-
<b>Loss before income tax expense</b>		<b>(11,456)</b>	<b>(80,706)</b>	<b>(1,844)</b>	<b>(1,840)</b>
Income tax expense		-	(22,524)	-	-

In A\$000s	Note	Audited FY 2021	Audited FY 2022	Audited FY 2023	Reviewed HY 2024
<b>Net loss after tax</b>	g)	<b>(11,456)</b>	<b>(103,230)</b>	<b>(1,844)</b>	<b>(1,840)</b>
<b>Other comprehensive income</b>					
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss for the year</b>		<b>(11,456)</b>	<b>(103,230)</b>	<b>(1,844)</b>	<b>(1,840)</b>
<b>Loss for the year attributable to:</b>					
Owners of Decmil Group Limited		(11,456)	(103,230)	(1,844)	
<b>Loss for the year</b>		<b>(11,456)</b>	<b>(103,230)</b>	<b>(1,844)</b>	
<b>Total comprehensive loss for the year, net of tax</b>		<b>(11,456)</b>	<b>(103,230)</b>	<b>(1,844)</b>	
<b>Key ratios:</b>					
<i>Revenue growth</i>		-32.7%	24.3%	29.5%	-15.7%
<i>Gross profit margin</i>		8.0%	-4.2%	7.6%	5.3%
<i>Administration expenses as a % of revenue</i>		-8.6%	-7.3%	-5.5%	-6.7%
<i>EBITDA margin</i>		-0.7%	-11.6%	1.8%	1.2%
<i>EBIT margin <sup>1</sup></i>		-2.3%	-13.1%	0.7%	0.3%

<sup>1</sup> EBIT margin before impairment of intangible assets

Source: Decmil's audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023, and NPCF analysis

The table above should be read in conjunction with the following notes:

- a) Over the period under review, revenues increased by a compound annual growth rate ('CAGR') of 27% from \$303.7 million in FY 2021 to \$489.2 million in FY 2023. Revenue growth was mainly driven by major road and rail projects in the infrastructure sector. Revenues from projects in the infrastructure sector were \$210.5 million, \$274.7 million and \$343.0 million in FY 2021, FY 2022 and FY 2023, respectively. Whilst revenue from both the resources and renewable energy sectors grew between FY 2021 and FY 2023, revenues from the resources sector fell in FY 2023 and revenues from the renewable energy sector fell in FY 2022.

Trading in HY 2024 was impacted by a weak first quarter due to decreased volumes. However, revenues recovered in the second quarter and management reaffirmed its revenue forecast for the year ending 30 June 2024 of \$440 million to \$480 million.

- b) Cost of sales for Decmil's construction and engineering services include internal salaries and wages, material costs, subcontractor costs, and plant and equipment costs. Homeground's cost of sales mainly include facility management and security costs, utilities, telecoms costs, repair and maintenance, and rates and taxes.
- c) Gross profit and gross profit margin in FY 2022 were impacted by supply chain delays, cost escalation, and difficulties accessing labour due to restrictions related to COVID-19 measures. A project portfolio including multiple smaller projects, many on a fixed price basis, and provisions on contract disputes also contributed to the impact on gross profit.

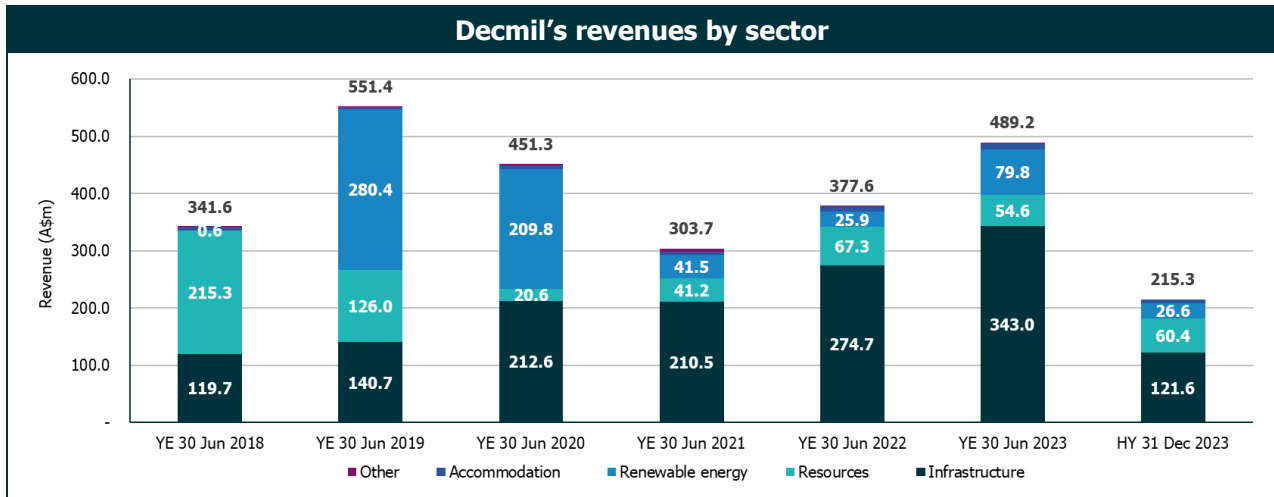
In FY 2023, gross profit and gross profit margin improved as legacy contracts that had disputes were settled and certain loss making contracts were completed. Also, management's strategy, when tendering, to target larger projects and a greater focus on project profitability, improved the overall margin of its project portfolio compared to FY 2022.

In HY 2024, gross profit and gross profit margin were impacted by lower revenues and a \$6.5 million loss on a single project. However, the loss making contract has concluded and was contracted using a historical risk allocation profile that is no longer accepted by Decmil. Also, all other ongoing projects proceeded satisfactorily.

- d) Other revenue in HY 2024 mainly relates to a \$5.9 million gain in valuation of investment property, being the Homeground Gladstone Accommodation Village, following an independent valuation that considered an increase in actual and forecast occupancy rates.
- e) Administration expenses, which include management salaries, consulting fees, legal fees and a number of overhead costs, have been relatively flat over the historical period, between approximately \$26 million and \$27.5 million per annum. As a result, administration expenses as a percentage of revenue have fallen from 8.6% to 5.5%.
- f) In FY 2022, an impairment charge of \$25.5 million was recognised against the goodwill intangible asset related to prior business combinations. The charge was based on the assessed recoverable amount of the Construction and Engineering cash-generating unit.
- g) Over the historical period, Decmil incurred net losses of \$11.5 million, \$103.2 million, \$1.8 million and \$1.8 million in FY 2021, FY 2022, FY 2023 and HY 2024, respectively.

### Further historical analysis

Set out below are Decmil's revenues by sector from the financial year ended 30 June 2018 to the financial year ended 30 June 2023, and the half-year ended 31 December 2023:



Source: Decmil's audited financial statements for the financial years ended 30 June 2019, 30 June 2020, 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

The main changes in revenue by sector relate to:

- in resources, Decmil has targeted projects more selectively since 2020 to reduce its dependence on this sector in order to capitalise on opportunities in other sectors such as infrastructure and renewables;
- in infrastructure, a greater number of contract opportunities following increased government expenditure on transport infrastructure; and
- in renewables, a number of large solar and wind farm projects were undertaken during 2018 and 2019 but management has since made a strategic decision to focus more on wind farms than solar engineering, procurement and construction projects.

#### 5.6.2 Consolidated Statement of Financial Position

Set out below is Decmil's audited Consolidated Statement of Financial Position as at 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed Consolidated Statement of Financial Position as at 31 December 2023:



In A\$000s	Note	Audited 30 Jun 2021	Audited 30 Jun 2022	Audited 30 Jun 2023	Reviewed 31 Dec 2023
Cash and cash equivalents		9,703	39,263	3,686	25,479
Trade and other receivables	a)	24,940	37,175	40,838	30,238
Contract assets	b)	27,436	16,258	33,771	33,358
Non-current asset held for sale	c)	56,655	56,865	56,991	-
Other current assets		3,341	5,808	6,374	11,667
<b>Total current assets</b>		<b>122,075</b>	<b>155,369</b>	<b>141,660</b>	<b>100,742</b>
Investment property	c)	-	-	-	62,900
Plant and equipment	d)	8,646	7,975	8,687	7,149
Right-of-use assets	d)	13,655	11,030	8,441	8,907
Deferred tax assets		22,249	-	-	-
Intangible assets	e)	75,482	50,000	50,000	50,000
<b>Total non-current assets</b>		<b>120,032</b>	<b>69,005</b>	<b>67,128</b>	<b>128,956</b>
<b>Total assets</b>		<b>242,107</b>	<b>224,374</b>	<b>208,788</b>	<b>229,698</b>
Trade and other payables	f)	50,501	73,261	84,403	77,913
Contract liabilities	b)	14,843	41,959	14,668	21,329
Borrowings	g)	196	19,454	8,505	2,551
Hire purchase lease liabilities		2,100	1,561	1,108	928
Leasing liabilities		2,333	2,619	2,342	1,951
Provisions	h)	4,824	4,986	3,498	4,064
<b>Total current liabilities</b>		<b>74,797</b>	<b>143,840</b>	<b>114,524</b>	<b>108,736</b>
Trade and other payables	f)	4,692	10,866	6,908	7,531
Borrowings	g)	17,597	17,873	18,716	40,452
Hire purchase lease liabilities		2,853	2,919	1,664	1,258
Leasing liabilities		12,835	10,216	7,875	8,748
Provisions	h)	236	319	375	441
<b>Total non-current liabilities</b>		<b>38,213</b>	<b>42,193</b>	<b>35,538</b>	<b>58,430</b>
<b>Total liabilities</b>		<b>113,010</b>	<b>186,033</b>	<b>150,062</b>	<b>167,166</b>
<b>Net assets</b>		<b>129,097</b>	<b>38,341</b>	<b>58,726</b>	<b>62,532</b>
Issued capital		267,487	279,961	284,273	304,566
Redeemable convertible preference shares		-	-	14,052	-
Reserves		-	-	3,865	3,865
Accumulated losses		(138,390)	(241,620)	(243,464)	(245,899)
<b>Total equity</b>		<b>129,097</b>	<b>38,341</b>	<b>58,726</b>	<b>62,532</b>

Source: Decmil's audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

The table above should be read in conjunction with the following notes:

- As at 31 December 2023, trade and other receivables of \$30.2 million included \$854,334 of debtors that were outstanding for more than 30 days, of which \$835,983 were outstanding for greater than 120 days.
- Contract assets relate to contract work that has been undertaken and recognised as revenue, but an invoice has not yet been issued as certain performance obligations remain unsatisfied (or are partially unsatisfied). Contract liabilities relate to customer payments received in advance, but the work has not yet been done. As at 31 December 2023, the net balance of contract assets and liabilities, being net amount due from customers for contract work, was \$12.0 million.
- The non-current asset held for sale as at 30 June 2021, 30 June 2022 and 30 June 2023 was the Homeground Gladstone Accommodation Village. The asset was reported as current as, at the time,

it was on the market for sale and was expected to be sold within the next ten or twelve months. As at 30 June 2023, the property was carried at fair value as determined using expressions of interests received from third parties, and as at 30 June 2022 and 30 June 2021, the property was carried at fair value as determined using a discounted cash flow valuation model.

As at 31 December 2023, the reporting of the Homeground Gladstone Accommodation Village was transferred from a non-current asset held for sale to an investment property after Decmil ended the sale process following Homeground's improved trading performance. Based on an independent valuation using the discounted cash flow methodology, that considered an increase in actual and forecast occupancy rates, the asset was revalued upwards by \$5.9 million to \$62.9 million.

- d) As at 31 December 2023, the \$7.1 million of plant and equipment included a mix of owned and leased assets such as earthmoving equipment, light vehicles and trucks. The \$8.9 million of right-of-use assets include leased land and buildings, and leased software.
- e) The reduction in intangible assets in FY 2022 relates to an impairment charge of \$25.5 million against the carrying amount of the Construction and Engineering cash-generating unit.
- f) As at 31 December 2023, current and non-current trade and other payables included \$34.0 million of trade payables, \$38.3 million of accruals and \$7.1 million of creditor retention payables.
- g) Decmil's current borrowings mainly relate to overdraft drawings under a multi-option bank facility (the total facility is \$40 million and encompasses a bank guarantee facility, letter of credit facility, overdraft facility and a limited recourse receivables funding facility). Current borrowings also include insurance premium funding.

The non-current borrowings include a \$20 million subordinated debt facility as well as drawings under the multi-option bank facility. Agreed in July 2021, the subordinated debt facility had a 3.5-year term and included warrants exercisable into 30.8 million Decmil shares at an exercise price of \$0.65 (subject to adjustment) with a five-year term. In June 2022, warrants exercisable into a further 20,000,000 Decmil shares were issued to the subordinated debt facility lenders following an amendment to reduce the coupon rate, extend the maturity by six months and waive certain covenants.

The increase in non-current borrowings at 31 December 2023, was due to drawings of the overdraft facility under the multi-option bank facility for working capital purposes.

- h) Provisions balances relate to employee entitlements.

### 5.6.3 Consolidated Statement of Cash Flows

Set out below is Decmil's audited Consolidated Statement of Cash Flows for FY 2021, FY 2022 and FY 2023, and reviewed Consolidated Statement of Cash Flows for HY 2024:

In A\$000s	Audited FY 2021	Audited FY 2022	Audited FY 2023	Reviewed HY 2024
<b>Cash flows from operating activities</b>				
Receipts from customers (inclusive of GST)	302,528	444,038	453,707	219,319
Payments to suppliers and employees (inclusive of GST)	(319,891)	(432,422)	(467,377)	(226,174)
Interest received	32	17	2	1
Finance costs paid	(4,355)	(5,882)	(9,211)	(2,590)
<b>Net cash (used in)/provided by operating activities</b>	<b>(21,686)</b>	<b>5,751</b>	<b>(22,879)</b>	<b>(9,444)</b>
<b>Cash flows from investing activities</b>				
Purchase of plant and equipment	(1,032)	(870)	(546)	(140)
Non-current asset held for sale additions	(11)	(210)	(126)	-
Proceeds from sale of non-current assets	2,193	220	2,019	155
<b>Net cash (used in)/provided by</b>	<b>1,150</b>	<b>(860)</b>	<b>1,347</b>	<b>15</b>



In A\$000s	Audited FY 2021	Audited FY 2022	Audited FY 2023	Reviewed HY 2024
<b>investing activities</b>				
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	17,597	21,655	-	13,283
Repayment of borrowings	(27,061)	(2,062)	(13,749)	(278)
Repayment of lease liabilities	(4,192)	(4,565)	(4,604)	(1,077)
Net proceeds/(payments) from capital raise/share issue	(35)	9,641	4,308	19,889
Dividend paid	-	-	-	(595)
<b>Net cash (used in)/provided by in financing activities</b>	<b>(13,691)</b>	<b>24,669</b>	<b>(14,045)</b>	<b>31,222</b>
Net (decrease)/increase in cash held	(34,227)	29,560	(35,577)	21,793
Cash at beginning of the financial period	43,930	9,703	39,263	3,686
<b>Cash at end of the financial period</b>	<b>9,703</b>	<b>39,263</b>	<b>3,686</b>	<b>25,479</b>

Source: Decmil's audited financial statements for the financial years ended 30 June 2021, 30 June 2022 and 30 June 2023, and reviewed financial statements for the half-year ended 31 December 2023

## 5.7 Decmil's issued securities and ownership

### 5.7.1 Issued securities

Decmil's issued securities as at the following dates is detailed in the table below:

- at 31 December 2023, being Decmil's latest financial half-year end;
- at 15 April 2024, being the date of the SID; and
- at 23 May 2024, being on or around the date of this Report.

	As at 31 Dec 2023	As at 15 Apr 2024	As at 23 May 2024
Fully paid ordinary shares	155,586,158	155,586,158	155,586,158
Redeemable Convertible Preference Shares	131,342,687	131,342,687	131,342,687
Options	4,593,238	4,593,238	4,593,238
Warrants <sup>1</sup>	4	4	4
Performance rights	38,853,299	38,853,299	38,413,631

<sup>1</sup> The warrants are exercisable into an aggregate of 50,769,231 Decmil Shares

Source: Decmil's 31 December 2023 reviewed financial statements, Decmil's securities register as at 23 May 2024 and NPCF analysis

### 5.7.2 Fully paid ordinary shares

Decmil's issued securities as at 23 May 2024 included 155,586,158 fully paid ordinary shares. The top 10 registered shareholders hold 48.47% of Decmil's fully paid ordinary shares as set out below:

Shareholder	Shareholding	%
UBS Nominees Pty Ltd	32,546,131	20.92%
HSBC Custody Nominees (Australia) Limited-GSI EDA	10,500,000	6.75%
BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient>	8,473,678	5.45%
Citicorp Nominees Pty Limited	5,453,024	3.50%
J P Morgan Nominees Australia Pty Limited	4,280,044	2.75%
Neweconomy Com Au Nominees Pty Limited <900 Account>	4,102,384	2.64%
National Nominees Limited	2,841,587	1.83%

Shareholder	Shareholding	%
Palm Beach Nominees Pty Limited	2,628,023	1.69%
Berger Equities Pty Ltd <Berger Super Fund A/C>	2,485,772	1.60%
Healey Nominees Pty Ltd	2,100,000	1.35%
<b>Top 10 shareholders</b>	<b>75,410,643</b>	<b>48.47%</b>
Other shareholders	80,175,515	51.53%
<b>Total shareholders</b>	<b>155,586,158</b>	<b>100.00%</b>

Source: Decmil's securities register as at 23 May 2024

We note that, a shareholder analysis report of beneficial shareholders provided to us highlighted that the top two parent group shareholders, Thorney Investment Group and Franco Family Holdings (Retail Group), held 19.94% and 7.12% respectively as at 21 March 2024.

Decmil's last ordinary share capital raising was in July 2021. Decmil announced it had secured financing comprising a \$20 million subordinated debt facility and a \$10 million equity placement. The proceeds of the financing were to support Decmil's growth strategy as well as reduce reliance on its bank overdraft facility.

The \$10 million equity raising included the issue of 25 million shares at an offer price of \$0.40 per new share, which represented a 7.0% discount to Decmil's last closing price on 21 July 2021. The issuance received commitments from domestic and international professional and institutional investors and was strongly supported by Decmil's existing shareholders. Participants in the placement also received one option for every two shares subscribed for. The options were exercisable at \$0.48 each and had a two-year term.

At the same time, Decmil announced a share purchase plan to eligible shareholders to raise up to \$2 million. Application monies of \$558,250 were received under the share purchase plan for 1,395,625 shares and 697,813 unlisted options (exercisable on the same terms)

The table below summarises Decmil's current ordinary shareholders by size of shareholding as at 23 May 2024:

Range of holdings	Number of holders	Number of units	% of units
1 - 1,000	2,685	699,624	0.45%
1,001 - 5,000	1,042	2,641,506	1.70%
5,001 - 10,000	371	2,821,992	1.81%
10,001 - 100,000	730	23,634,033	15.19%
100,001 Over	168	125,789,003	80.85%
<b>Total</b>	<b>4,996</b>	<b>155,586,158</b>	<b>100.00%</b>

Source: Decmil's securities register as at 23 May 2024

### 5.7.3 Redeemable Convertible Preference Shares

Decmil announced the redeemable convertible preference shares capital raising on 22 June 2023. The partially underwritten \$26.3 million capital raising comprised the issue of 131,376,629 redeemable convertible preference shares at an issue price of \$0.20 per RCPS. On 18 July 2023, Decmil announced the capital raising was fully subscribed. The key terms of the RCPS include:

- an initial term of three years;
- a preferential dividend accrues and is, at Decmil's election, payable semi-annually at 12.00% per annum during the initial term, stepping up by 1.00% per annum each year after the initial term. Any dividends not paid accumulate during the term of the RCPS;

- subject to timing or the occurrence certain trigger events, holders of RCPS may convert RCPS into Decmil shares on the basis of one Decmil share per RCPS and one Decmil share per each \$0.20 of unpaid dividends; and
- at the end of the initial term and on each subsequent dividend payment date, Decmil will have the right to convert RCPS into ordinary shares or redeem RCPS for cash at face value (plus any unpaid dividends). The conversion of any unpaid dividends accrued following this date into ordinary shares shall be subject to the approval of Decmil's ordinary shareholders.

Decmil's issued securities as at 23 May 2024 included 131,342,687 Redeemable Convertible Preference Shares. The top 10 ranked registered holders (including joint 10<sup>th</sup> holdings) hold 60.65% of Decmil's RCPS as set out below:

RCPS Holder	Holding	%
UBS Nominees Pty Ltd	50,102,095	38.15%
National Nominees Ltd	6,371,356	4.85%
Timster Pty Ltd <The Mcred Super Fund A/C>	5,000,000	3.81%
J S Millner Holdings Pty Ltd	2,500,000	1.90%
Rahn Investments Pty Ltd <Bellevue Hill S/F A/C>	2,500,000	1.90%
Waradale Pty Ltd <Narvo Family A/C>	2,500,000	1.90%
Palm Beach Nominees Pty Ltd	2,498,658	1.90%
J P Morgan Nominees Australia Pty Ltd	2,176,626	1.66%
Mr Peter Thomas	2,009,670	1.53%
Boatlife Holdings Pty Ltd <Colfer Family A/C>	2,000,000	1.52%
Sotam Pty Ltd <Alf S/F A/C>	2,000,000	1.52%
<b>Top 10 RCPS holders</b>	<b>79,658,405</b>	<b>60.65%</b>
Other RCPS holders	51,684,282	39.35%
<b>Total RCPS holders</b>	<b>131,342,687</b>	<b>100.00%</b>

Source: Decmil's securities register as at 23 May 2024

The table below summarises Decmil's current RCPS holders by size of holding as at 23 May 2024:

Range of holdings	Number of holders	Number of units	% of units
1 - 1,000	162	54,244	0.04%
1,001 - 5,000	112	325,401	0.25%
5,001 - 10,000	64	494,762	0.38%
10,001 - 100,000	201	8,480,847	6.46%
100,001 Over	126	121,987,433	92.88%
<b>Total</b>	<b>665</b>	<b>131,342,687</b>	<b>100.00%</b>

Source: Decmil's securities register as at 23 May 2024

#### 5.7.4 Unlisted options

Decmil's issued securities as at 23 May 2024 included 4,593,238 unlisted options. Details of Decmil's unlisted option holders and the options are set out below:

Option holder	Exercise price	Issue date	Expiry date	Number of options
Peter Thomas	\$0.750	12-Jan-21	31-Oct-24	900,000
Sobrado Pty Ltd ATF Barclay Family Super Fund	\$0.750	12-Jan-21	31-Oct-24	900,000
L39 Pty Ltd <No 12 A/C>	\$0.252	23-Oct-23	23-Oct-26	2,793,238
<b>Total unlisted options</b>				<b>4,593,238</b>

Source: Decmil's securities register as at 23 May 2024 and ASX announcements

Given that Decmil's shares traded at \$0.29 per share on the last close of business before the date of this Report, the 1,800,000 options exercisable at \$0.75 are out-the-money as at the date of this Report.

#### 5.7.5 Warrants

As announced on 26 July 2021, Decmil entered into a \$20 million subordinated debt facility with attaching warrants with PURE Asset Management Pty Ltd and Horley Pty Ltd. The facility had a 3.5-year term and a coupon rate of 11%. The warrants are exercisable into a total of 30,769,231 Decmil shares at an exercise price of \$0.65 (subject to adjustment) and have a five-year term. On 29 June 2022, Decmil announced that the Company had agreed with PURE Asset Management Pty Ltd and Horley Pty Ltd to reduce the coupon rate from 11.0% to 10.0%, extend the loan maturity by six months to July 2025 and waive certain covenants. As part of the agreement, Decmil issued the lenders warrants that are exercisable into a total of 20,000,000 Decmil shares at an exercise price of \$0.23 (subject to adjustment) and expiry date of 30 August 2026.

Decmil's issued securities as at 23 May 2024 included four warrants exercisable into a total of 50,769,231 Decmil shares. Details of Decmil's warrant holders, warrants and the Decmil share entitlement are set out below:

Warrant holder	Number of warrants	Exercise price <sup>1</sup>	Expiry date	Decmil share entitlement
Pure Asset Management Pty Ltd	1	\$0.65	30-Aug-26	23,076,923
Horley Pty Ltd	1	\$0.65	30-Aug-26	7,692,308
Pure Asset Management Pty Ltd	1	\$0.23	30-Aug-26	15,000,000
Horley Pty Ltd	1	\$0.23	30-Aug-26	5,000,000
<b>Total warrants and share entitlement</b>	<b>4</b>			<b>50,769,231</b>

<sup>1</sup> Exercise price subject to adjustment

Source: Decmil's securities register as at 23 May 2024 and ASX announcements

#### 5.7.6 Performance rights

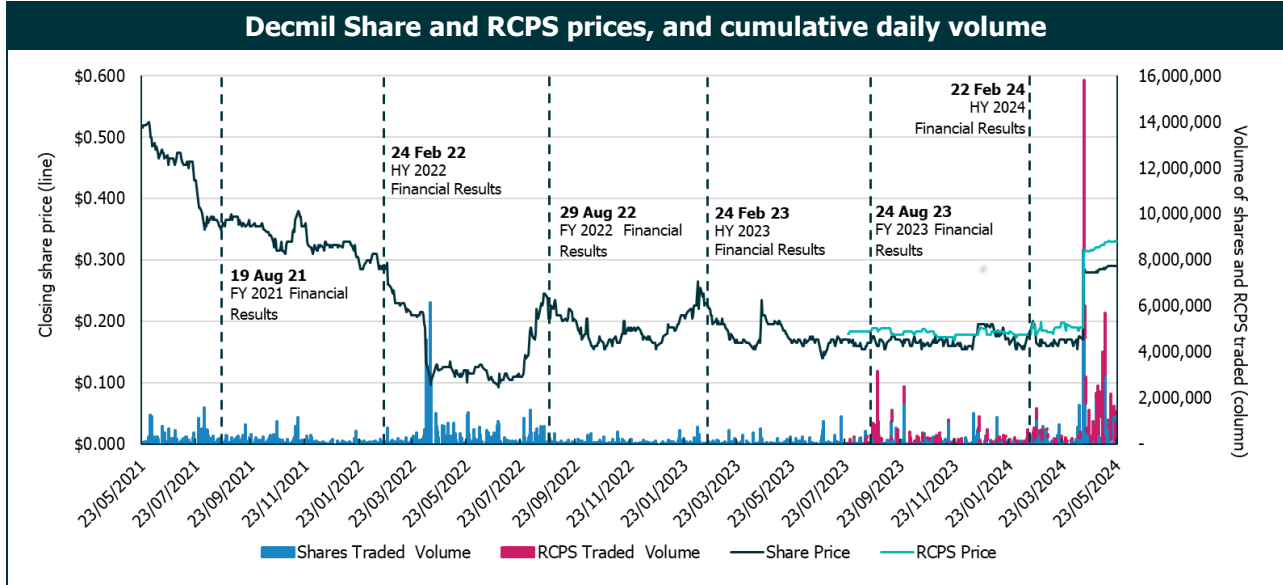
Decmil's issued securities as at 23 May 2024 included 38,413,631 performance rights. Details of Decmil's performance rights holders are set out below:

Performance right holder	Class			Total Holding
	A, B, C, D, E	F, G, H, I, J	K, L, M, N	
Andrew Barclay	-	-	2,000,000	2,000,000
Rod Heale	7,727,274	5,810,099	-	13,537,373
Peter Thomas	6,000,000	5,117,955	-	11,117,955
Rob Currie	1,350,000	1,350,000	-	2,700,000
Deon Baddock	1,712,229	2,039,060	-	3,751,289
Simon Barnes	1,808,036	2,039,060	-	3,847,096
Bryn Vaughan	-	1,350,000	-	1,350,000
Other employees	109,918	-	-	109,918
<b>Total performance rights</b>	<b>109,918</b>	<b>18,597,539</b>	<b>17,706,174</b>	<b>38,413,631</b>

Source: Decmil's securities register as at 23 May 2024 and ASX announcements

## 5.8 Share and RCPS price and volume trading analysis

The following chart provides a summary of Decmil's Share and RCPS prices, and cumulative trading volumes for the three years to 23 May 2024:



Source: Yahoo! Finance and NPCF analysis

On 15 April 2024, the last day of trading before the announcement that Decmil had entered into the SID with Macmahon, the closing price of a Decmil share was \$0.170. Over the period from 24 May 2021 to 15 April 2024, Decmil shares traded in the range of a high of \$0.525 (on 31 May 2021) to a low of \$0.093 (on 28 June 2022). Over the period from 26 July 2023 to the last day of trading before the announcement that Decmil had entered into the SID with Macmahon, Decmil RCPS traded in the range of a high of \$0.199 (on 28 February 2024) to a low of \$0.169 (on 22 and 23 November 2023), with a closing price of \$0.190 on 15 April 2024.

Decmil's share price high and lows, volumes traded and volume weighted average price ('VWAP') during various trading day periods prior to 15 April 2024, the last day of trading before the announcement that Decmil had entered into the SID with Macmahon, are summarised in the table below:

Period to 15 Apr 2024	Share price low	Share price high	Cumulative volume traded	VWAP	Shares traded as % of issue	Shares traded % per week
1 trading day	\$0.170	\$0.170	56,813	\$0.170	0.04%	0.18%
7 trading days	\$0.155	\$0.175	3,347,698	\$0.169	2.15%	1.54%
30 trading days	\$0.155	\$0.175	8,543,135	\$0.167	5.49%	0.92%
60 trading days	\$0.155	\$0.200	13,824,771	\$0.169	8.89%	0.74%
90 trading days	\$0.155	\$0.200	20,179,432	\$0.173	12.97%	0.72%
180 trading days	\$0.155	\$0.200	33,691,270	\$0.170	21.66%	0.60%

Source: Yahoo! Finance and NPCF analysis

As shown above, the average number of Decmil shares traded per week as a percentage of shares issued ranged from 0.60% to 1.54% over the various periods, with most of the periods being lower than 1%, suggesting that there has been a low level of liquidity in Decmil shares.

Decmil's RCPS price high and lows, volumes traded and VWAP during various trading day periods prior to 15 April 2024, the last day of trading before the announcement that Decmil had entered into the SID with Macmahon, are summarised in the table below:

Period to 15 Apr 2024	RCPS price low	RCPS price high	Cumulative volume traded	VWAP	RCPS traded as % of issue	RCPS traded % per week
1 trading day	\$0.190	\$0.190	0	\$0.000	0.00%	0.00%
7 trading days	\$0.185	\$0.190	253,016	\$0.190	0.19%	0.14%
30 trading days	\$0.180	\$0.198	1,093,715	\$0.190	0.83%	0.14%
60 trading days	\$0.175	\$0.199	4,919,410	\$0.185	3.75%	0.31%
90 trading days	\$0.175	\$0.199	7,149,878	\$0.184	5.44%	0.30%
180 trading days	\$0.169	\$0.199	19,444,557	\$0.184	14.80%	0.41%

Source: Yahoo! Finance and NPCF analysis

As shown above, the average number of Decmil RCPS traded per week as a percentage of RCPS issued ranged from 0.14% to 0.41% over the various periods, which suggests that there has been a low level of liquidity in Decmil RCPS.

## 6. INDUSTRY ANALYSIS

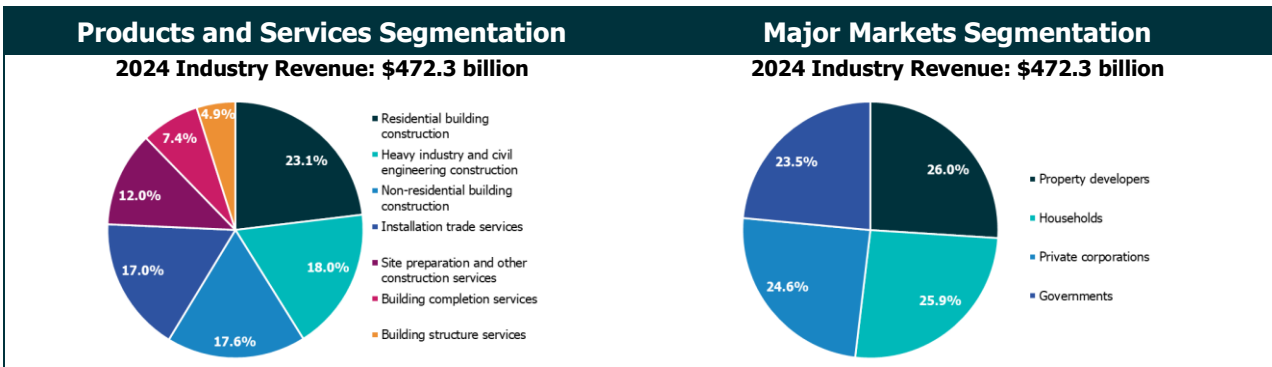
### 6.1 Construction industry overview

Our construction industry overview is based on IBISWorld's Construction in Australia Industry Report dated November 2023. In sections 6.2, 6.3 and 6.4, we present separate overviews of the heavy industry and other non-building construction industries, the road and bridge construction industry, and the wind farm construction industry.

#### 6.1.1 Introduction

Construction firms primarily construct buildings, roads, railroads, harbour or river works, transmission lines, pipelines and oil refineries. These firms are also involved in civil engineering and irrigation projects, and construct water, gas, electricity and sewerage infrastructure. Some construction firms also carry out repairs and renovations, prepare mine sites, install utilities, and take part in demolitions and excavations.

IBISWorld segments industry revenue by products and services, and major end markets as follows:



Source: IBISWorld Report

#### 6.1.2 Construction industry current performance

According to IBISWorld, divergent trends in the building and infrastructure industries have constrained the sector's performance over the five years through 2023-24, with revenue expected to fall at an annualised 2.0% to total \$472.3 billion. Whilst house construction and special trade contractors benefitted from the surge in new house construction, which peaked in 2021-22 supported by stimulus program and record low interest rates, a recent slump in new house construction, accompanied by increased mortgage interest rates, is expected to contribute to divisional revenue declining 5.1% in 2023-24. However, non-residential building construction has rebounded from the COVID-19 pandemic dip and favourable trends in non-residential

building construction and non-building infrastructure have generate buoyant conditions for some construction sector segments.

IBISWorld highlighted that heavy and civil engineering construction contractors have benefitted from public investment to counter the economic effects of the COVID-19 pandemic and greater use of public-private partnership (‘PPP’) funding for developing public transport infrastructure, including landmark road and rail developments that have boosted heavy and civil engineering construction. Public funding for shovel-ready infrastructure projects during the COVID-19 pandemic and governments bringing forward the pipeline of transport infrastructure projects have underpinned the construction division’s expansion.

Also, favourable non-residential building construction trends have been supported by escalating industrial building activity, solid public healthcare and educational building construction growth as well as surging warehouse and distribution centre construction to meet rapid merchandise trade expansion and higher delivery volumes of business and consumer products.

It was noted that construction industry profit margins have deteriorated in response to escalating building material and equipment prices that followed the blockages in the supply chain during the COVID-19 pandemic. Construction contractors often bear significant risk on projects. For example, fixed-price contracts may have difficulty passing price rises on to clients while incurring the additional costs of construction delays awaiting the delivery of inputs. IBISWorld assessed the industry profit margin (EBIT) for 2024 to be 7.7% versus an average of 9.4% between 2011 and 2023.

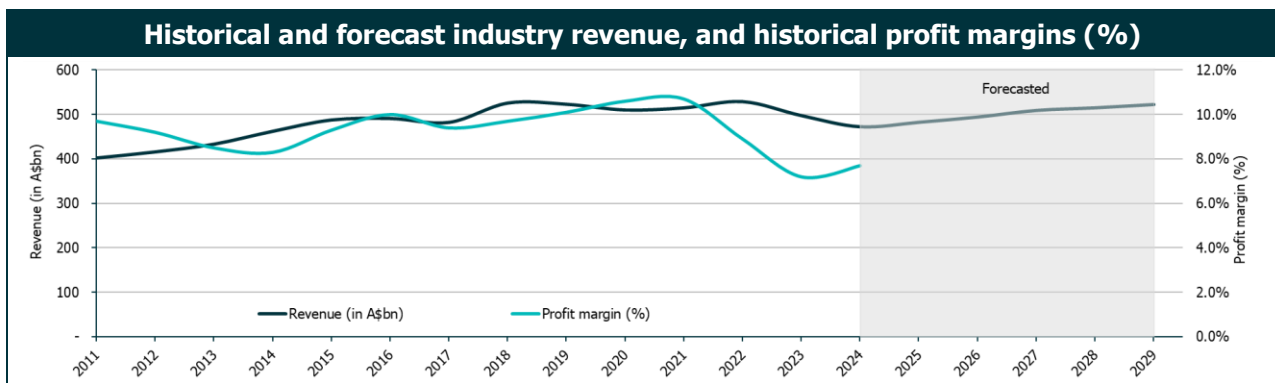
### 6.1.3 Construction industry outlook

IBISWorld forecasts favourable trends across building construction and construction services, with industry revenue forecast to grow at an annualised 2.0% to 2028-29. IBISWorld notes an upswing in apartment and townhouse construction in particular to meet the rising population pressures as net migration and supported by the upward house price trends as well as solid non-residential building construction as general economic growth will encourage property developers to invest in commercial buildings like offices, hotels and retail premises. Also, governments and public authorities are forecast to invest in institutional buildings like schools and hospitals to meet the needs of an expanding population.

IBISWorld, however, believes the principal constraint on the construction sector will come from the staged completion of several landmark road and rail projects, such as Sydney’s WestConnex and Melbourne’s West Gate Tunnel, but noting that activity will still remain well above the long-term average. For example, contractors will remain relatively busy in the road construction market alongside progress on new developments and there are still landmark rail projects that will dominate the infrastructure landscape.

### 6.1.4 Construction industry financial performance

IBISWorld’s assessment of historical and forecast industry revenue, and historical profit margins is below:



Source: IBISWorld Report



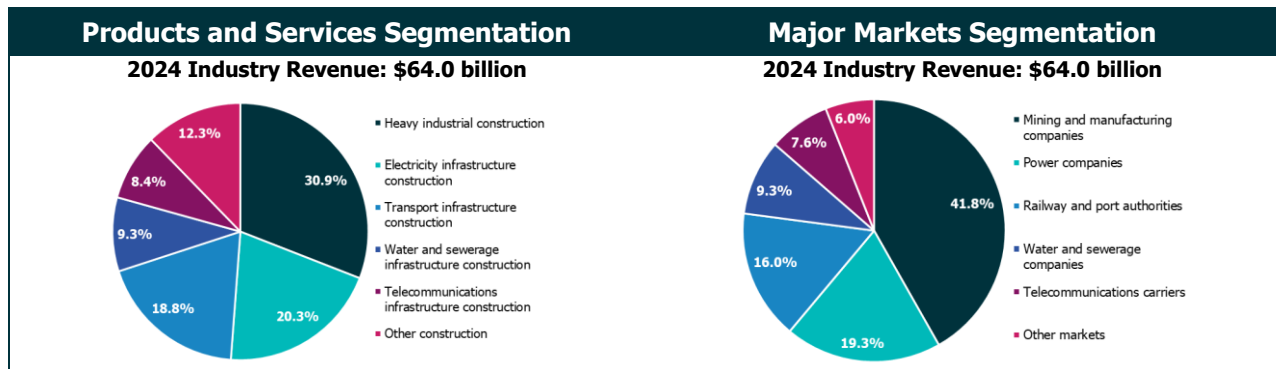
## 6.2 Heavy industry and other non-building construction

Our industry analysis is based on IBISWorld’s Heavy Industry and Other Non-Building Construction in Australia Industry Report dated January 2024.

### 6.2.1 Introduction

Industry companies primarily construct engineering projects or infrastructure, such as railways, dams, irrigation systems, harbour and river works, and water and gas supply systems. Projects also include oil refineries (excluding buildings), pipelines, on-site boiler assembly, furnaces or heavy electrical machinery from prefabricated components, and general repairs of such structures, machinery and equipment.

IBISWorld segments industry revenue by products and services, and major end markets as follows:



Source: IBISWorld Report

### 6.2.2 Heavy industry and other non-building construction industry current performance

IBISWorld noted that work on landmark railway developments, renewable power generation infrastructure and water and sewerage facilities have underpinned the industry’s recent expansion and have helped cushion the industry from the lack of giant mining developments, the completion of several massive LNG projects and the effective completion of the NBN rollout in 2020.

Civil construction contractors have benefitted from the public investment to counter the economic fallout from the COVID-19 pandemic and the greater use of PPP funding for developing public transport infrastructure. Railway construction surged following public and private investment. IBISWorld highlighted landmark railway projects such as the Sydney Metro City & Southwest, Melbourne’s Metro Tunnel, Brisbane’s Cross River Rail and Inland Rail.

Investment in wind and solar electricity plants, large-scale batteries and transmission networks has grown to meet renewable energy targets, which has expanded the scope for specialist contracting within the industry. However, IBISWorld commented that some companies have exited the renewable energy market following significant losses. In addition, industry expansion has come from a growing variety of construction projects, including water supply and sewerage infrastructure construction to meet population and new housing growth, work on extensive gas pipeline systems, and the construction of major sporting stadiums.

IBISWorld estimates industry revenue to increase by an annualised 5.9% over the five years through 2023-24 to \$64.0 billion. This growth is due to the period of 2020 to 2023, as industry revenue is expected to contract by 4.7% in 2023-24 due to the staged completion of several projects. Industry profitability has strengthened through the past five years despite contractors grappling with project delays and price hikes stemming from supply chain blockages, and IBISWorld estimates industry profit margins to be 5.9%.



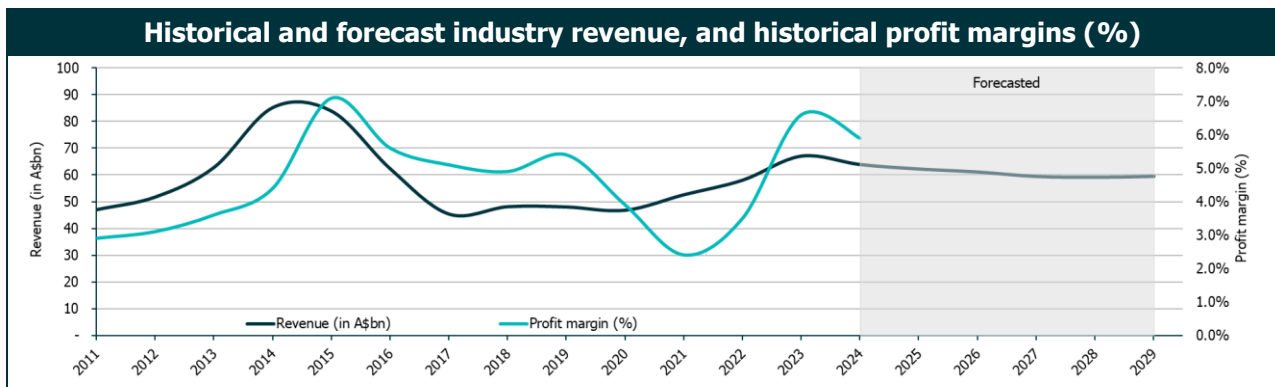
### 6.2.3 Heavy industry and other non-building construction industry outlook

IBISWorld predicts industry performance to deteriorate marginally with the scheduled conclusion of the landmark metropolitan railway developments and weaker trends in the electricity and water infrastructure markets. However, future opportunities for contractors are expected to come from the growing investment in renewable energy infrastructure and electricity transmission lines, resource projects due to the elevated core commodity prices in recent years, and the development of sports facilities in preparation for the 2032 Brisbane Olympic Games.

IBISWorld forecasts industry revenue to decrease an annualised 1.4% over the five years through 2028-29, falling to \$59.6 billion.

### 6.2.4 Heavy industry and other non-building construction industry financial performance

IBISWorld’s assessment of historical and forecast industry revenue, and historical profit margins is below:



Source: IBISWorld Report

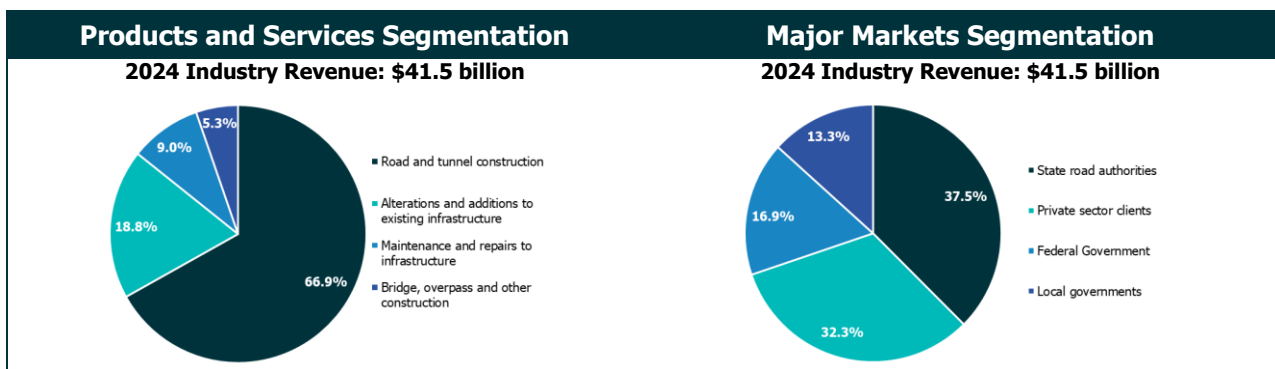
## 6.3 Road and bridge construction

Our industry analysis is based on IBISWorld’s Road and Bridge Construction in Australia Industry Report dated December 2023.

### 6.3.1 Introduction

Industry firms construct, repair and maintain roads, bridges, aerodrome runways and parking lots. Firms also carry out the quarrying of earth, soil or filling, in conjunction with road or bridge construction.

IBISWorld segments industry revenue by products and services, and major end markets as follows:



Source: IBISWorld Report

### 6.3.2 Road and bridge construction industry current performance

IBISWorld highlighted that road and bridge construction activity reached to new heights throughout the COVID-19 pandemic, driven by government stimulus spending and an injection of private investment through PPP arrangements.

During a COVID-19 pandemic downturn, the federal and state governments committed to additional road funding in order to stimulate economic activity and brought forward the pipeline of major road and bridge projects as well as funding local road projects. Further road work resulted from repairing and reconstructing roads and bridges following floods in Queensland, New South Wales and Victoria. Overall, public funding of road and bridge projects has increased over the past few years to account for two-thirds of funding.

Private funding has underpinned some of Sydney and Melbourne's most significant road and bridge projects ever constructed. For example, the \$16.8 billion PPP-funded multi-stage WestConnex motorway in Sydney, which started in 2016-17 and in Melbourne, the \$6.7 billion West Gate Tunnel project, which started in early 2018 and, after delays, is expected to complete in 2025-26, but at a project value likely exceeding \$10.0 billion. A further source of private road investment has been for developing residential subdivisions.

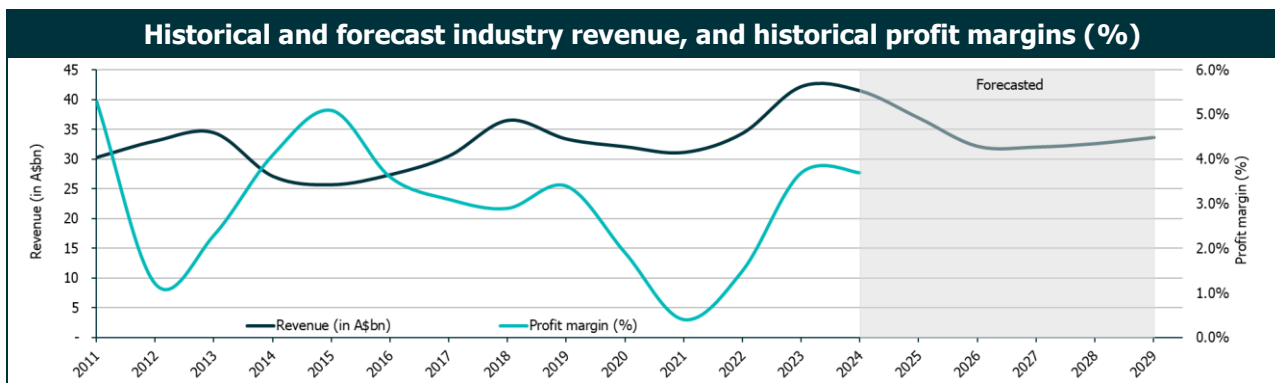
IBISWorld estimates industry revenue to increase at an annualised 4.4% over the five years through 2023-24 to reach \$41.5 billion. Despite the impact of supply chain blockages on input prices, industry profit margins, estimated to be 3.7%, have widened as a result of the record level of construction activity.

### 6.3.3 Road and bridge construction industry outlook

Going forward, IBISWorld forecasts the industry's revenue to fluctuate considerably over the short term as the landmark construction projects are scheduled for completion. Ongoing maintenance and upgrade activity on roads and bridges will help soften the impact. Federal funding under the Infrastructure Investment Program and the Freight Highway Upgrade Program will continue to provide multi-year revenue for constructing critical arterial and national roads, and the Roads to Recovery Program will continue to deliver funding for local road networks. However, state road authorities are forecast to rein in spending on new roads and will continue to encourage private equity participation through PPP arrangements. The PPP model for funding upgrades was highlighted by IBISWorld as an avenue for industry expansion, with a number of major projects being noted. Overall, industry revenue is forecast to fall at an annualised 4.1% over the five years through 2028-29 to \$33.7 billion.

### 6.3.4 Road and bridge construction industry financial performance

IBISWorld's assessment of historical and forecast industry revenue, and historical profit margins is below:



Source: IBISWorld Report

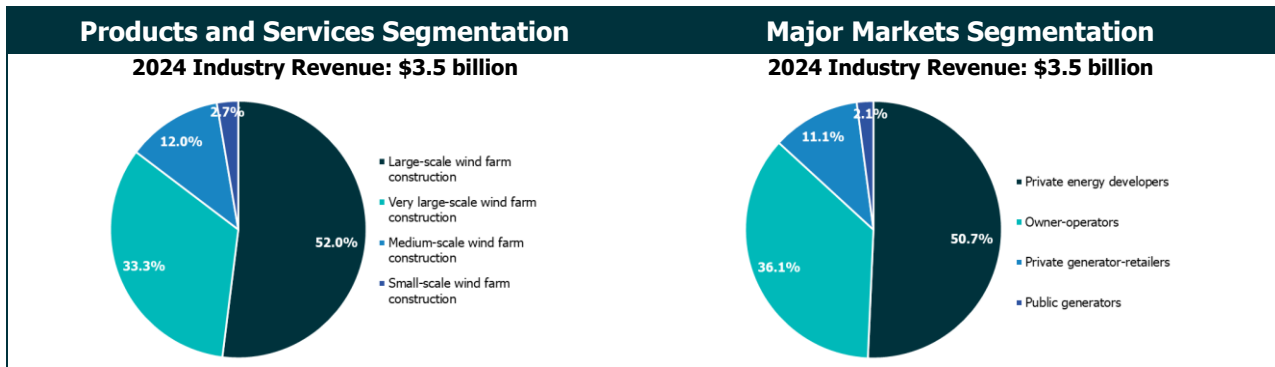
## 6.4 Wind farm construction

Our industry analysis is based on IBISWorld’s Wind Farm Construction in Australia Industry Report dated September 2023.

### 6.4.1 Introduction

Companies active in the industry construct wind farms (collections of wind turbines in a particular area). Wind farms produce and sell electricity to utilities and other customers. The activities of maintenance, repair and operation of wind farms are excluded from the industry analysis.

IBISWorld segments industry revenue by products and services, and major end markets as follows:



Source: IBISWorld Report

### 6.4.2 Wind farm construction industry current performance

A shift to renewable energy sources and the phasing out of coal-fired power generation have underpinned the industry’s performance. According to IBISWorld, Australia's installed wind generating capacity has climbed three-fold over the ten years through 2023-24, supported by increasingly competitive wind technologies and government renewable energy targets ('RETs'), which compels electricity generators and retailers to increase the share of power they generate from renewable sources. The Commonwealth's RET was met in early 2021, but most state and territory governments have independently legislated more stringent RETs.

The value of wind farm construction surged during 2020-21 and 2021-22 with work on many medium- and large-scale projects, including wind farms in Victoria and New South Wales as well as the Yandin wind farm in Western Australia. Whilst some large developments recently completed, several substantial wind farms are still under construction.

Investment in wind generating capacity has been volatile due to changing energy consumption and wholesale electricity prices. Factors such as COVID-19 restrictions dampened local energy consumption and pricing, but then the recovery from the pandemic and the fallout from the Russia-Ukraine conflict lifted global energy prices. A trend of private and public corporations entering into long-term power purchase agreements with electricity retailers and renewable power generators has underpinned demand for increased renewable electricity generation.

Overall, industry revenue is expected to grow at an annualised 1.0% over the five years through 2023-24 to reach \$3.5 billion, despite a 1.9% decline in the current year. Industry profit margins, estimated to be 3.6%, have been impacted by disruptions to global supply chains and adverse weather conditions on the eastern seaboard that have delayed many construction projects.

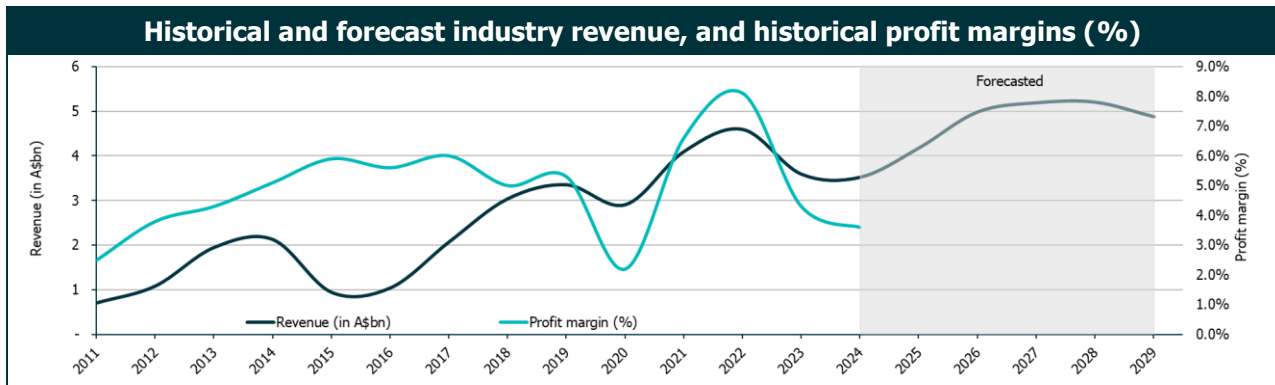
### 6.4.3 Wind farm construction industry outlook

According to IBISWorld, a push to meet state-based RETs, a call for renewable energy sources from downstream electricity retailers and advanced planning on several major projects will underpin unprecedented levels of industry activity and robust industry growth. Work will continue on several landmark wind farm projects in the coming years, including the 1,026-megawatt MacIntyre wind farm in Queensland and the recently commenced 1,330-megawatt Golden Plains wind farm in Victoria as well as other substantial projects are in the development pipeline. Further, possible giant wind power developments (the Star of the South offshore windfarm in Victoria and the Asian Renewable Energy Hub in Western Australia) may get the go-ahead, which would substantially boost industry performance.

IBISWorld estimates industry revenue to increase at an annualised 6.7% over the five years through 2028-29 to reach \$4.9 billion. The industry's prospects would brighten with the approval of the giant wind power developments.

### 6.4.4 Wind farm construction industry financial performance

IBISWorld's assessment of historical and forecast industry revenue, and historical profit margins is below:



Source: IBISWorld Report

## 7. VALUATION APPROACH

### 7.1 Definition of market value

Our valuation approach is based upon the guidance of RG 111. In forming our opinion as to whether or not the Ordinary Scheme is fair to Shareholders, we have compared the fair value of a Decmil Share on a control basis to the value of the Ordinary Scheme Consideration. Also, in forming our opinion as to whether or not the RCPS Scheme is fair to RCPS Holders, we have compared the fair value of a Decmil RCPS on a control basis to the value of the RCPS Scheme Consideration.

RG 111 defines fair value as the amount 'assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length...'

### 7.2 Selection of valuation methodology

RG 111 provides guidance on the valuation methods that an independent expert should consider. These methods include:

- the discounted cash flow method and the estimated realisable value of any surplus assets (the 'discounted cash flow methodology');

- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets (the 'capitalisation of earnings methodology');
- the amount that would be available for distribution to security holders on an orderly realisation of assets (the 'realisation of asset methodology');
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale ('quoted market price methodology');
- any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets; and
- the amount that an alternative bidder might be willing to offer if all the securities in the target were available for purchase.

The above are covered in more detail in Appendix D to this Report. Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly applied in valuing such an asset and the availability of appropriate information. It is possible for a combination of different methodologies to be used together to determine an overall value.

### **7.3 Valuation approach used to value a Decmil Share and a Decmil RCPS**

In determining the value of a Decmil Share, we have applied the capitalisation of earnings methodology, which involves assessing Decmil's enterprise value based on the aggregate of (i) the future maintainable earnings from the construction and engineering segment (after allocating a share of corporate overheads) multiplied by an appropriate earnings multiple and (ii) the future maintainable earnings from the Homeground accommodation operations (after allocating a share of corporate overheads) multiplied by an appropriate earnings multiple. The value of any surplus assets is then added, and surplus liabilities and debt are then deducted, to determine the equity value. The equity value is then divided by the aggregate number of Decmil Shares and Decmil RCPS outstanding.

To determine the value of a Decmil RCPS, we added the aggregate of the accrued RCPS dividend as at the Record Date that RCPS Holders are entitled to and an amount reflecting the present value as at the Record Date of future RCPS dividends (prior to maturity on 23 July 2026) to the assessed Decmil Share price.

As a secondary approach, we performed a trading history analysis of the quoted market prices of Decmil's shares and RCPS prior to the announcement that Decmil had entered into the SID and compared them (after applying a control premium to the Share price and RCPS price) with the values we obtained using the capitalisation of earnings methodology.

We consider these to be the most appropriate methodologies as:

- Decmil is an established company with a history of generating positive EBITDA until the 2016 financial year. Decmil's construction and engineering segment reported negative EBITDA during the period from FY 2020 to FY 2022. However, EBITDA of the construction and engineering segment has been improving gradually with reported positive EBITDA in FY 2023 and in recent financial quarters of FY 2024. With the completion of certain low margin contracts and following management's more selective approach to contract tendering, earnings have improved in recent quarters. Therefore, we can assess the value of the construction and engineering segment using the capitalisation of earnings methodology and estimating future maintainable earnings by reference to recent earnings and the pipeline of near-term contracts.

Homeground earned positive EBITDA during FY 2022, FY 2023 and recent financial quarters. As such, Homeground has a track record of earnings and we can assess its value using the capitalisation of earnings methodology.

- the quoted market price methodology is also relevant for Decmil because its shares and RCPS are listed on the ASX, meaning there is a regulated and observable market where Decmil's shares and RCPS can be traded, and from where we can analyse historical prices for Decmil shares and RCPS. However, we consider this as a secondary cross-check approach due to the relatively low level of liquidity in Decmil shares and RCPS;
- we determined that the discounted cash flow methodology is not an appropriate approach to value Decmil Shares and Decmil RCPS since Decmil's construction and engineering activities and cash flows are project-based, and Homeground's operations and cash flows are project dependent (being the level of project activity in the Gladstone region), its cash flows cannot be forecast with any reasonable amount of certainty. Whilst Decmil is able to identify a pipeline of near-term contracts, its secured contracts do not extend sufficiently into the future for the discounted cash flow methodology to be applied. Cash flows beyond the 2025 financial year would be considered highly uncertain as future project timing and value cannot be forecast with any certainty;
- we believe that the value using asset-based approaches would not truly reflect the earnings potential of Decmil particularly as recent trading of both the construction and engineering and Homeground segments are showing improvement, and Decmil is a business that is expected to earn an adequate return on capital such that the value of its future income stream exceeds the value of its assets; and
- whilst we are aware that, following the 2022 sale process, Decmil received indicative offers for Homeground, we are not aware of any offers for the construction and engineering operations that, combined with the indicative offers for Homeground, could be utilised as a comparison to the valuation under the capitalisation of earnings methodology.

## 8. VALUE OF A DECMIL SHARE AND A DECMIL RCPS

In determining the fair value of a Decmil Share on a control basis and the fair value of a Decmil RCPS on a control basis, we have used the capitalisation of earnings methodology as our primary valuation methodology and the quoted market price methodology as our secondary valuation methodology.

### 8.1 Value per Decmil Share and value per Decmil RCPS

The value of a Decmil Share on a control basis and the value of a Decmil RCPS on a control basis are set out below:

	Ref	Low	Preferred	High
Value per Decmil Share on a control basis	8.2	\$0.241	\$0.293	\$0.347
Value per Decmil RCPS on a control basis	8.2	\$0.290	\$0.341	\$0.395

Source: NPCF analysis

The following sections set out the basis upon which we have arrived at our valuation.

## 8.2 Value per Decmil Share and value per Decmil RCPS on a control basis using the earnings multiple methodology

Assessing the value of a Decmil Share and a Decmil RCPS using the earnings multiple methodology involved the following steps:

- estimating the maintainable EBITDA of Decmil's two operating segments, construction and engineering solutions and accommodation (being the operations of the Homeground accommodation village);
- for each operating segment, establishing an appropriate EBITDA multiple, being enterprise value divided by EBITDA, based on comparable listed company trading multiples. Then, applying the concluded EBITDA multiple for each operating segment to the relevant operating segment's estimated future maintainable EBITDA, to obtain the estimated enterprise values for construction and engineering solutions and the operations of Homeground. We aggregate these enterprise values to determine our estimate of the enterprise value of Decmil;
- adding/deducting the value of any surplus assets/liabilities Decmil has as well as deducting debt to determine Decmil's estimated equity value; and
- dividing the equity value of Decmil by the number of Decmil Shares and Decmil RCPS outstanding.

The value of a Decmil Share and a Decmil RCPS based on our primary valuation methodology is as follows:

In A\$	Ref	Low	Preferred	High
Maintainable EBITDA of construction and engineering	8.2.1	17,000,000	18,000,000	19,000,000
Multiple applied	8.2.2	4.50x	4.75x	5.00x
<b>Enterprise value of construction and engineering</b>		<b>76,500,000</b>	<b>85,500,000</b>	<b>95,000,000</b>
Maintainable EBITDA of Homeground	8.2.3	7,000,000	8,000,000	9,000,000
Multiple applied	8.2.4	4.75x	5.00x	5.25x
<b>Enterprise value of Homeground</b>		<b>33,250,000</b>	<b>40,000,000</b>	<b>47,250,000</b>
<b>Enterprise value of Decmil</b>		<b>109,750,000</b>	<b>125,500,000</b>	<b>142,250,000</b>
<b>Adjustments:</b>				
Less Decmil debt as at 30 April 2024	8.2.5	(35,514,260)	(35,514,260)	(35,514,260)
<b>Estimated equity value of Decmil</b>		<b>74,235,740</b>	<b>89,985,740</b>	<b>106,735,740</b>
Decmil Shares outstanding	8.2.6	155,586,158	155,586,158	155,586,158
Decmil RCPS outstanding	8.2.6	131,342,687	131,342,687	131,342,687
Decmil Shares from vested performance rights outstanding	8.2.6	20,707,457	20,707,457	20,707,457
<b>Total number of Decmil Shares and RCPS outstanding</b>	8.2.6	<b>307,636,302</b>	<b>307,636,302</b>	<b>307,636,302</b>
<b>Value per Decmil Share on a control basis</b>		<b>\$0.241</b>	<b>\$0.293</b>	<b>\$0.347</b>
Incremental value to RCPS Holders (based on accrued dividends and present value future dividends)	8.2.7	\$0.048	\$0.048	\$0.048
<b>Value per Decmil RCPS on a control basis</b>		<b>\$0.290</b>	<b>\$0.341</b>	<b>\$0.395</b>

Source: NPCF analysis



### 8.2.1 Assessment of the construction and engineering segment’s maintainable EBITDA

To determine Decmil’s construction and engineering segment’s maintainable EBITDA, we assessed adjusted EBITDA by quarter for FY 2024, using three quarters of actual results and a combination of actual April 2024 results and forecast for the remaining two months of the last quarter, and reviewed the current project portfolio, to assess known pipeline revenue, and reviewed Decmil’s tender pipeline, to assess future revenue.

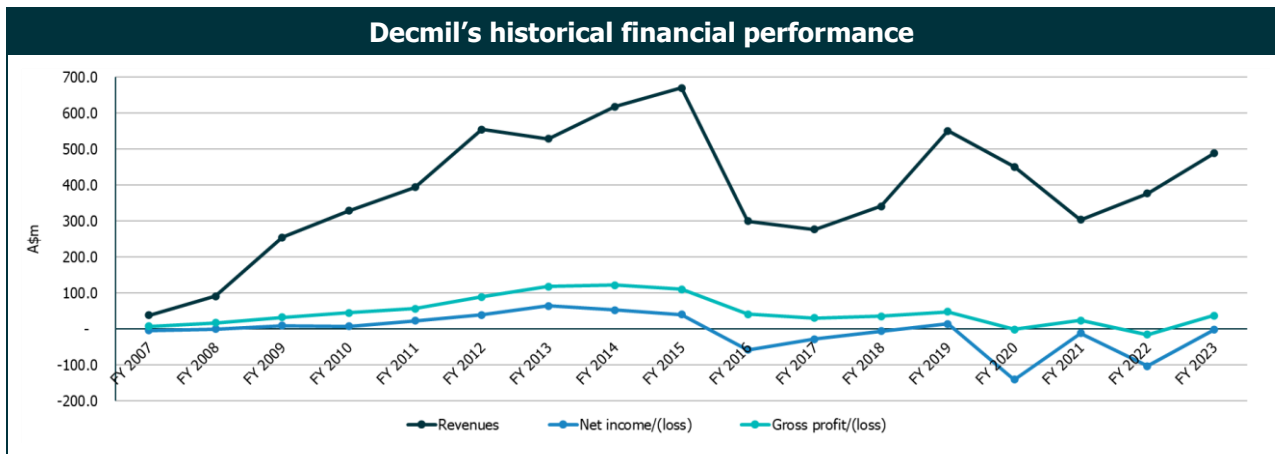
#### Historical financial performance

Decmil experienced strong growth years between 2008 and 2015 following Paladio Group’s acquisition of Decmil (which was then a civil works and accommodation village building company that was started in Karratha in 1979 by Dennis Criddle) in May 2007. Paladio Group (the then engineering and construction company) changed its name to Decmil Group in June 2009.

In the same month, Decmil, together with joint venture partners Thiess and Kentz, was awarded a \$500 million contract to design and construct an accommodation village for Chevron Australia Pty Ltd. This made Decmil’s share of the total contract, being \$170 million, the largest single contract of the Company. Revenue and profits grew significantly from there until 2015 as the Company took on more contracts in quick succession. Market capitalisation of Decmil reached a high of over \$500 million in September 2012.

However, Decmil’s revenue fell substantially in the 30 June 2016 financial year and the Company has recorded losses (with the exception of the 2019 financial year) since then up until Decmil’s half-year financial performance to 31 December 2023.

Decmil’s historical financial performance showing revenue, gross profit and net income (loss) between the 30 June 2007 financial year and the 30 June 2023 financial year are shown in the chart below.



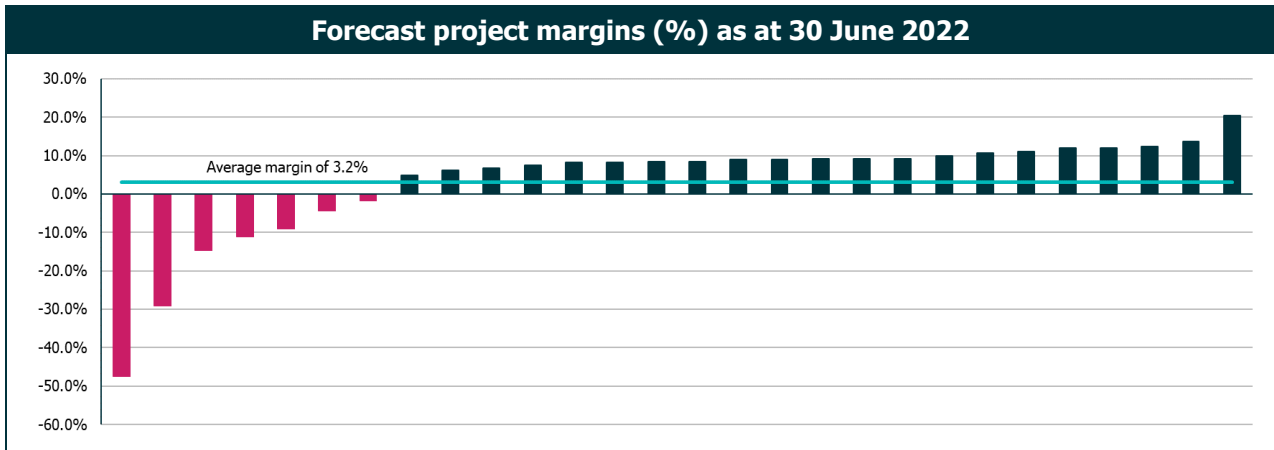
Source: S&P Capital IQ

#### Current financial performance

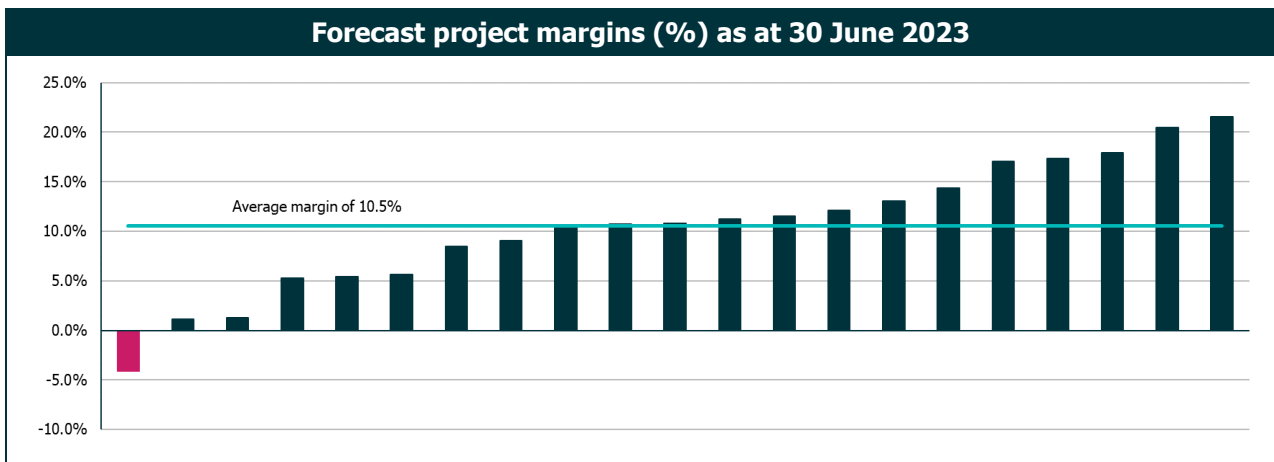
Rod Heale was appointed Chief Executive Officer of Decmil in June 2022 during the time when Decmil’s business still had significant claims and a number of projects running at negative gross margins. New discipline by management was put in place to raise margins on contracts entered into, improve the pricing framework, increase the average size of jobs, managing project risks through more stringent contract terms and customer payment terms. These were applied to new contracts for projects being entered into.

Following a period of bearing losses of legacy contracts, the Company has gradually moved out of most of its loss-making contracts and projects. The following charts show Decmil’s project portfolio of forecast project margins of active projects that are close to completion as at 30 June 2022, 30 June 2023 and 30 April 2024.

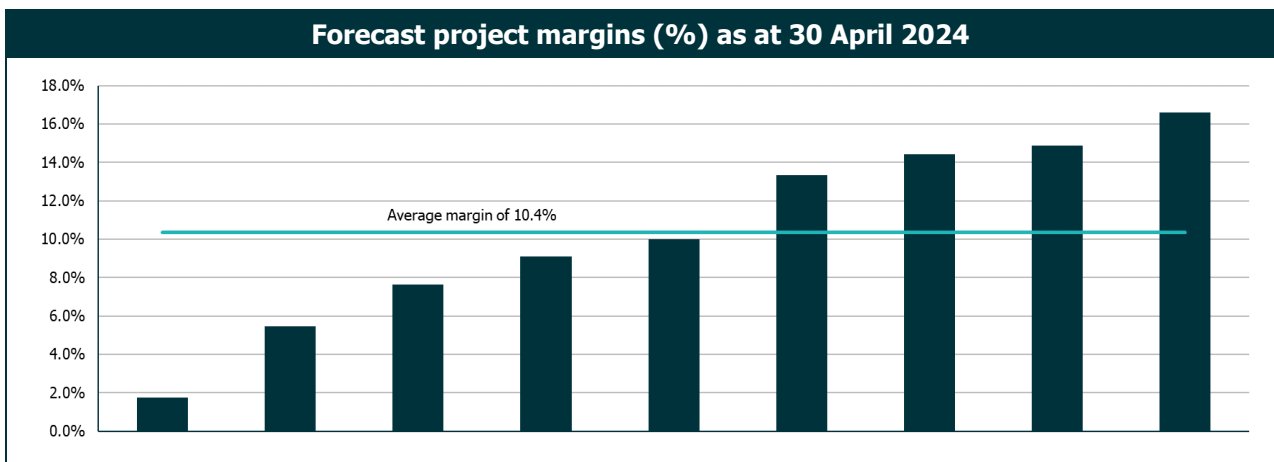




Source: Decmil's FY 2023 full year results presentation



Source: Decmil's FY 2023 full year results presentation



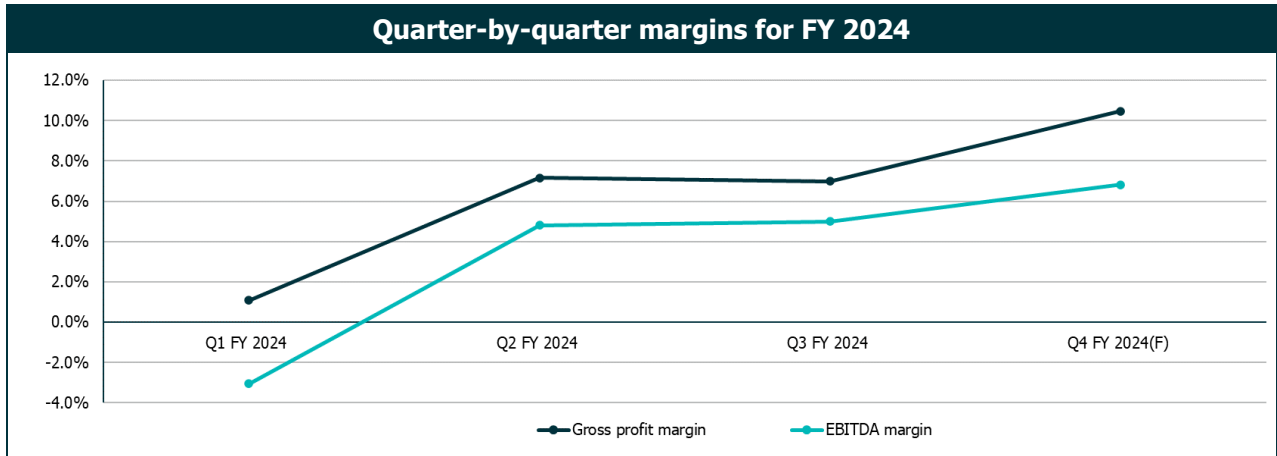
Source: Decmil's management

We understand that weak results during FY 2020 to FY 2022 can be attributed to specific contracts (such as a high share of low margin small projects and legacy contracts with disputes) and cost escalation due to supply chain delays and labour costs, which the COVID-19 pandemic contributed to.

With the completion of certain low margin contracts and following management's more selective approach to contract tendering, earnings have improved in recent quarters.

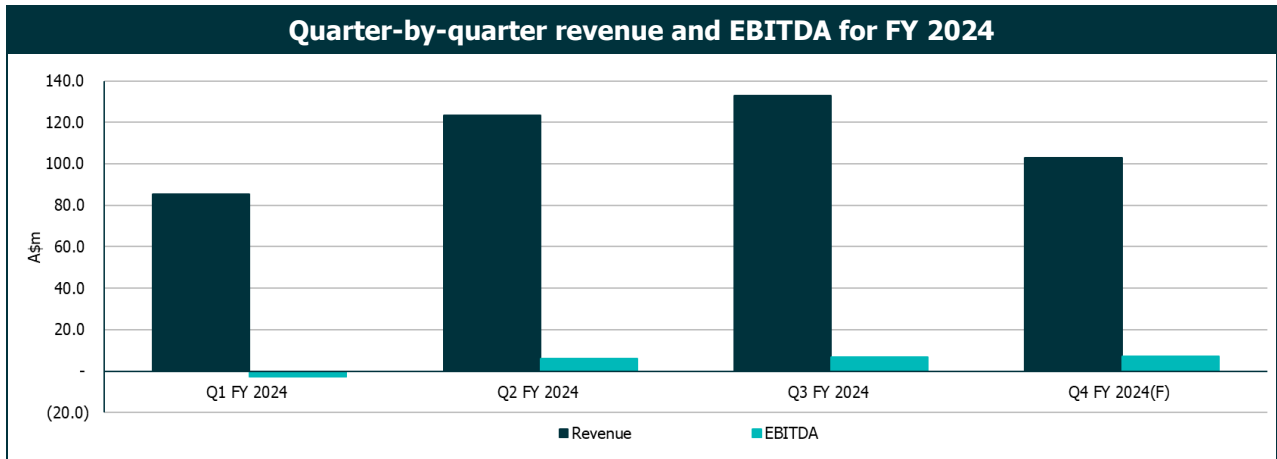
Whilst the graph depicting forecast project margins as at 30 April 2024 shows fewer projects, they are larger in value which aligns with the Company’s strategy of targeting few larger projects instead of several smaller projects.

Decmil’s year-to-date 30 April 2024 results show improvement in gross profit margins and EBITDA margins. The quarter-by-quarter margins for FY 2024, including the last quarter based on a combination of actual 2024 results and forecast for the remaining two months of the last quarter (‘Q4 FY 2024(F)’), are shown in the following graph.



Source: Decmil’s management

Decmil’s year-to-date 30 April 2024 actual results, combined with the two-month forecast for May 2024 and June 2024 show improvement in EBITDA. The quarter-by-quarter revenue and EBITDA for FY 2024 are shown in the following graph.

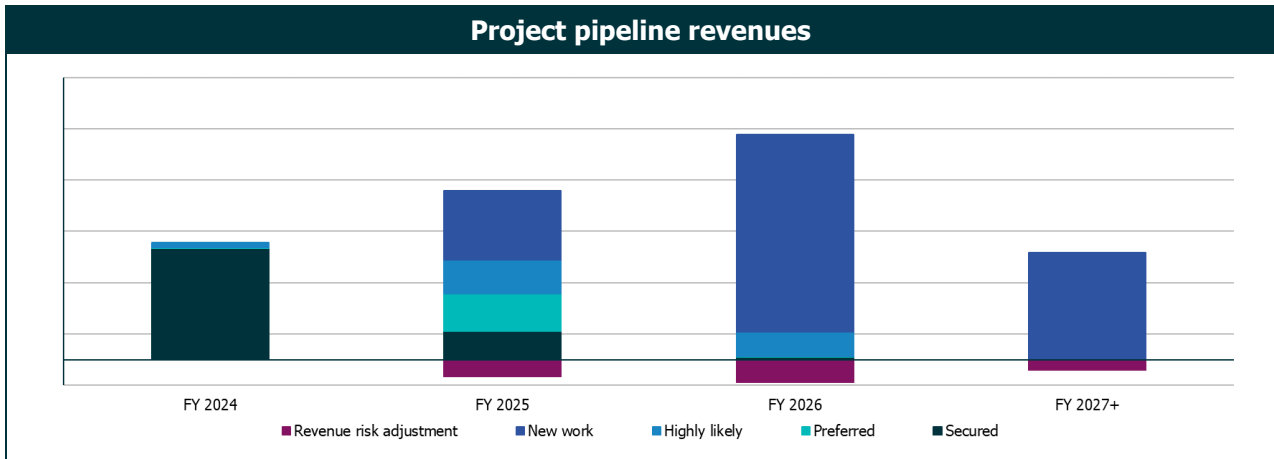


Source: Decmil’s management

### Future financial performance

Decmil has analysed its pipeline of opportunities which have been segmented into secured work, preferred work, highly likely work, and new work. It has also provided for revenue risk adjustment which offsets a portion of the revenue expected.

The graph of project pipeline revenues below reflects the probability weighted revenue streams from projects in the pipeline that Decmil has identified.



Source: Decmil's management

In line with the Company's strategy, gross profit margins expected to be negotiated and secured for these projects in the pipeline would be targeted at 10%, with the aim of achieving a 3% to 4% EBITDA margin.

### Future maintainable earnings

To assess the future maintainable earnings for the construction and engineering business of Decmil, we considered the historical, current and expected future financial performance of the Company (as described above), in particular, its recent two quarters (second and third quarters of FY 2024) and April 2024 of actual results which have demonstrated a turning point in profit margins and profitability from the decline in performance since 2016. The actual results of the second quarter ('Q2 FY 2024') and third quarter ('Q3 FY 2024') of FY 2024, together with actual results for April 2024, have also demonstrated the consistent achievement of improving gross profit margins and EBITDA margins.

We also considered if there was a reasonable basis to expect that the turn in profit margins and profitability is likely to be sustainable and maintainable by evaluating Decmil's analysis of probability weighted revenue streams and gross profit margins of projects in the pipeline.

Due to the uncertainty in the forecast revenue from those projects in the pipeline, since they are not secured and are still highly uncertain, we have not based our assessment of future maintainable earnings on their future revenue and EBITDA. Instead, we have only used the forecast information as a basis to consider if there was a reasonable basis for our assessment of the future maintainable EBITDA we concluded on for Decmil's construction and engineering business.

We analysed Decmil's actual results for the first three quarters of FY 2024 and the last quarter, being a combination of actual April 2024 results and forecast for the remaining two months of the last quarter, after making normalisation adjustments for a corporate overhead allocation and one-off, non-recurring and/or extraordinary items to reflect a level of EBITDA that is more sustainable and ongoing. This analysis is set out in the table as follows.

In A\$	Ref	Quarter to 30 Sep 23	Quarter to 31 Dec 23	Quarter to 31 Mar 24	Quarter to 30 Jun 24	Year to 30 Jun 24
Revenue - Secured		85,261,618	123,325,766	132,894,944	94,277,159	435,759,487
Revenue - Preferred		-	-	-	8,570,000	8,570,000
Revenue - Highly likely		-	-	-	-	-
Revenue - New work		-	-	-	-	-
<b>Total revenue</b>		<b>85,261,618</b>	<b>123,325,766</b>	<b>132,894,944</b>	<b>102,847,159</b>	<b>444,329,487</b>
<b>Gross profit</b>		<b>925,495</b>	<b>8,820,653</b>	<b>9,297,252</b>	<b>10,764,945</b>	<b>29,808,345</b>
Gross profit %		1.1%	7.2%	7.0%	10.5%	6.7%
Overheads		(3,532,277)	(2,840,259)	(3,138,842)	(3,749,633)	(13,261,011)
Overheads %		4.1%	2.3%	2.4%	3.6%	3.0%
Miscellaneous income		965	(54,200)	491,654	(180)	438,239
<b>EBITDA</b>		<b>(2,605,817)</b>	<b>5,926,194</b>	<b>6,650,064</b>	<b>7,015,132</b>	<b>16,985,573</b>
EBITDA %		-3.1%	4.8%	5.0%	6.8%	3.8%
<b>Adjustments:</b>						
Add loss from completed contracts	a)	6,500,000	-	1,200,000	-	7,700,000
Deduct allocation of corporate overheads	b)	(3,600,337)	(3,473,292)	(2,376,575)	(2,881,454)	(12,331,657)
Add/(deduct) miscellaneous income	c)	(965)	54,200	(491,654)	180	(438,239)
<b>Adjusted EBITDA</b>		<b>292,882</b>	<b>2,507,102</b>	<b>4,981,836</b>	<b>4,133,858</b>	<b>11,915,677</b>

Source: Decmil's management accounts, NPCF analysis

The table above should be read in conjunction with the following notes:

- In the quarter ended 30 September 2023, Decmil recorded a loss related to a single project that has completed and was contracted using a historical risk allocation profile that is no longer accepted by Decmil. Also, in the quarter ended 31 March 2024, Decmil recorded a loss related to another completed project. Therefore, we have reversed these losses as they reflect non-recurring losses.
- Corporate overheads were allocated between Decmil's construction and engineering business and its Homeground business based on a proportion of 85% to construction and engineering and 15% to Homeground as estimated by the Company's management. These adjustments reflect an 85% allocation of the corporate overheads each quarter.
- Miscellaneous income which reflects non-recurring other income or losses mainly related to gains/losses on the disposal of assets, which we reversed.

Based on the above, we annualised Decmil's Q3 FY 2024 and Q4 FY 2024(F) adjusted EBITDA of its construction and engineering business to arrive at our estimate of the future maintainable EBITDA for Decmil's construction and engineering business of between \$17 million and \$19 million with a midpoint of \$18 million.

In A\$	Low	Mid	High
Construction and engineering H2 2024 EBITDA annualised	17,052,676	18,231,387	19,410,097
EBITDA margin %	3.62%	3.87%	4.12%
<b>Estimated maintainable EBITDA</b>	<b>17,000,000</b>	<b>18,000,000</b>	<b>19,000,000</b>
EBITDA margin %	3.61%	3.82%	4.03%

Source: NPCF analysis

## 8.2.2 Assessment of comparable construction and engineering company EBITDA multiples

Determination of an EBITDA multiple relies on the availability and analysis of comparable market data. We have researched trading multiples of ASX listed companies comparable to Decmil's construction and engineering business. We identified 11 comparable companies and assessed trading multiples based on last twelve months ('LTM') earnings and, where available, estimated earnings for the financial year ending 30 June 2024 or 31 December 2024 ('FY 24 Est') using announced guidance or estimates.

The comparable company LTM and FY 24 Est EBITDA multiples analysis is set out in the table below. A summary description of the comparable companies is provided in Appendix E:

In \$ms	Market cap	Enterprise value	Revenue	LTM EBITDA	FY 24 Est EBITDA	LTM EBITDA margin	LTM EBITDA multiple	FY 24 Est EBITDA multiple
Downer EDI Ltd (ASX:DOW)	3,151	4,529	11,484	552	699	4.8%	8.20x	6.48x
DRA Global Ltd (ASX:DRA)	129	2	885	59	n/a	6.7%	0.04x	n/a
Duratec Ltd (ASX:DUR)	274	248	556	43	48	7.6%	5.83x	5.15x
GenusPlus Group Ltd (ASX:GNP)	337	317	470	32	45	6.8%	9.88x	7.05x
Lycopodium Ltd (ASX:LYL)	476	422	341	79	n/a	23.1%	5.36x	n/a
Monadelphous Group Ltd (ASX:MND)	1,282	1,125	1,832	110	124	6.0%	10.23x	9.10x
NRW Holdings Ltd (ASX:NWH)	1,211	1,369	2,756	261	316	9.5%	5.26x	4.34x
Saunders International Ltd (ASX:SND)	100	75	212	19	n/a	8.7%	4.05x	n/a
Service Stream Ltd (ASX:SSM)	726	781	2,227	97	127	4.4%	8.04x	6.16x
SRG Global Ltd (ASX:SRG)	451	472	942	84	98	8.9%	5.62x	4.83x
Ventia Services Group Ltd (ASX:VNT)	3,036	3,574	5,676	444	500	7.8%	8.06x	7.14x
<b>Mean (removing outliers)</b>							<b>7.05x</b>	<b>6.28x</b>
<b>Median (removing outliers)</b>							<b>6.93x</b>	<b>6.32x</b>

Source: NPCF analysis

The mean and median LTM EBITDA multiples after removing outliers were 7.05x and 6.93x, respectively. Based on management guidance and broker estimates, the mean and median FY 24 Est EBITDA multiples on these same companies were 6.28x and 6.32x, respectively. As our assessed maintainable EBITDA for Decmil's construction and engineering segment is on the basis of forecast earnings for FY 2024, the FY 24 Est EBITDA multiples of the listed companies above are more appropriate for the assessment of the EBITDA multiple to be applied to Decmil's construction and engineering segment's earnings.

In determining an appropriate EBITDA multiple to be applied to Decmil's construction and engineering segment, we considered Decmil's comparability to the companies above, including factors such as size, diversification and profitability, and concluded on a discount to the EBITDA multiple that factored in the following:

- the comparable companies listed above include companies with materially higher revenue than Decmil. From the listed companies above, we noted that, for those companies with revenue less than \$1 billion, the mean and median FY 24 Est EBITDA multiples were 5.68x and 5.15x, respectively, although being from a small data set;
- the comparable companies listed above include companies that serve a wider range of end-industries than Decmil, which potentially reduces the risk related to exposure to any industry-specific cycle. Also, a number of the comparable companies have a broader service offering, including complex electrical and mechanical engineering for which higher margins may be possible; and

- in recent years, each of the comparable companies listed above reported higher earnings margins than Decmil. As noted in section 8.2.1, Decmil’s strategy of being more selective when tendering and a greater focus on profit margin is showing results. However, relative to the comparable companies, Decmil’s recent actual results have only just demonstrated a turning point in profit margins and profitability from the decline in performance since the 2016 financial year and there is still a high level of risk and uncertainty that this turnaround will continue.

Also, as we are assessing the value of a Decmil Share and a Decmil RCPS on a control basis, the EBITDA multiple to be applied to Decmil’s construction and engineering segment should be adjusted to include a control premium since the trading multiples assessed above use market prices of securities that typically reflect a minority interest value of a security. The range of control premiums we applied were based on premiums paid by acquirers of ASX listed construction and engineering companies over the last 10 years. Based on the above, we have assessed the EBITDA multiple for Decmil’s construction and engineering segment on a control basis to be between 4.50x and 5.00x.

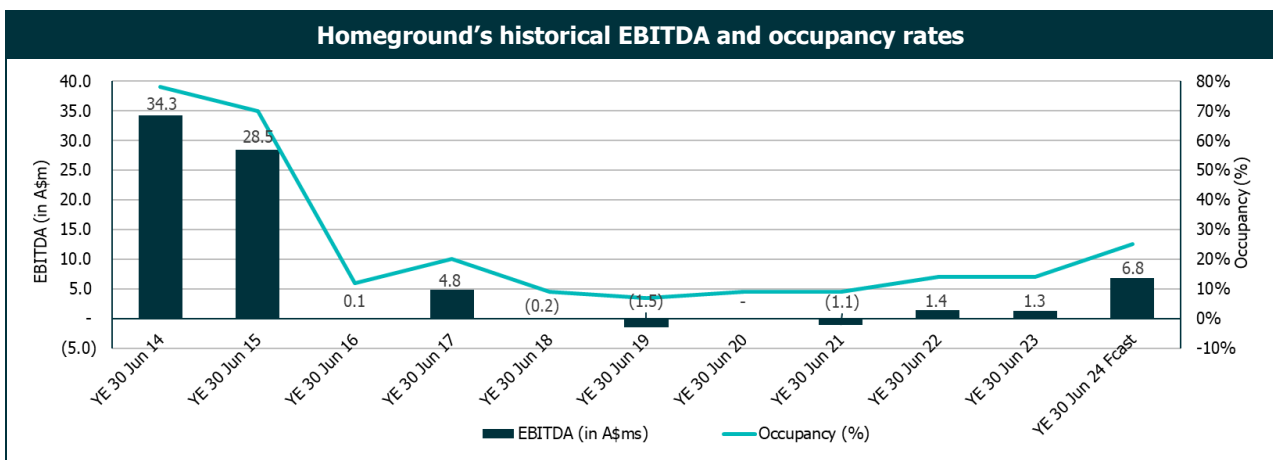
To cross-check our assessed EBITDA multiple, we also considered transaction multiples, but understanding that transaction multiples usually reflect a control premium paid. We identified 17 transactions, valued between \$40 million and \$200 million, over the last 10 years involving companies in the broad construction and engineering industry. The average transaction EBITDA multiple was approximately 8.1x, which, if a minority discount was to be applied, would be largely in line with the mean and median trading multiples of the comparable companies listed above.

### 8.2.3 Assessment of the Homeground’s maintainable EBITDA

To determine Decmil’s Homeground maintainable EBITDA, we considered the 10-year historical EBITDA and occupancy levels for Homeground, recognising that the market tends to follow a longer-term cycle. We also considered the adjusted quarterly EBITDA of Homeground for FY 2024, using three quarters of actual results and a combination of actual April 2024 results and the forecast for the remaining two months of the last quarter, to assess future revenue. We also considered the industry report that Decmil had commissioned which provided the Gladstone market context, demand assessment and a 20-year forecast of occupancy levels for Homeground.

### Historical financial performance

Recognising that the market tends to follow a longer-term cycle, we considered the 10-year historical EBITDA and occupancy levels for Homeground and the forecast EBITDA and occupancy level for FY 2024 as shown in the graph below.

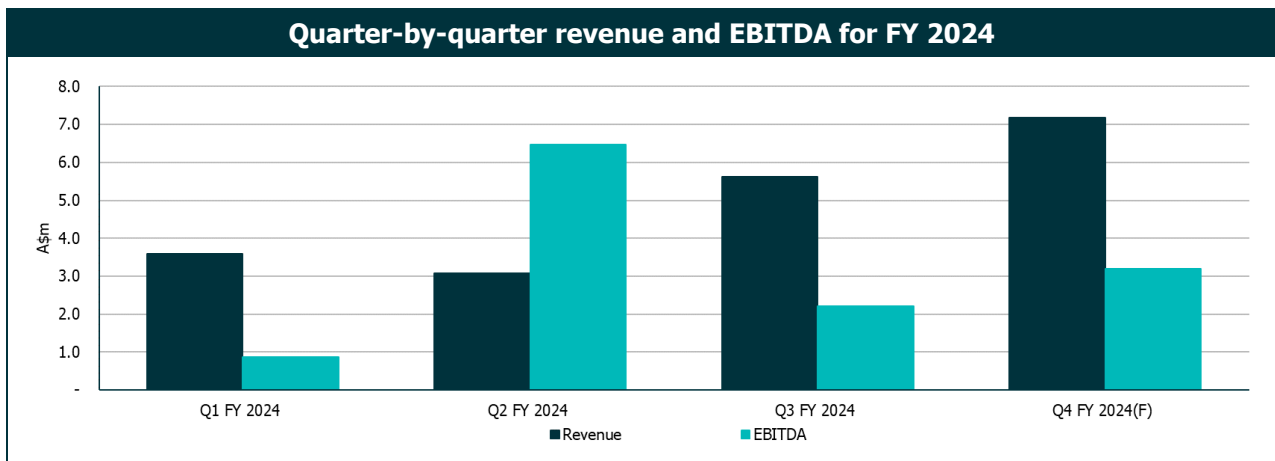


Source: Decmil’s HY 2024 half-year results presentation and Decmil’s management  
 YE 30 Jun 24 Fcast EBITDA is based on April management accounts and adjusted to remove income from the revaluation of Homeground

Average occupancy and average EBITDA over the historical and forecast period is approximately 24% and \$6.8 million respectively.

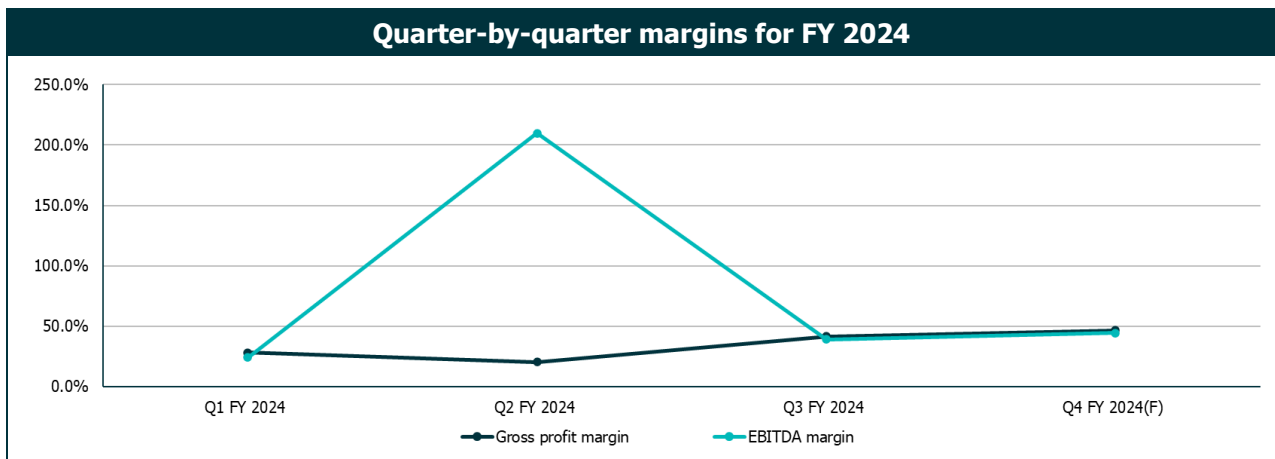
### Current financial performance

Homeground's year-to-date 30 April 2024, combined with the two-month forecast for May 2024 and June 2024 show improvement in EBITDA. The quarter-by-quarter revenue and EBITDA for FY 2024 are shown in the following graph. The large spike in the EBITDA in the second quarter of FY 2024 is attributed to the \$5.9 million revaluation of Homeground in that quarter. This is a one-off and non-recurring income that is adjusted in the normalisation of EBITDA for Homeground detailed the section below.



Source: Decmil's management

Homeground's quarter-by-quarter margins for FY 2024 are shown in the following graph. The large spike in the EBITDA margin in the second quarter of FY 2024 is attributed to the \$5.9 million revaluation of Homeground in that quarter as explained above.



Source: Decmil's management

### Future financial performance

Decmil had commissioned an industry report which provided the Gladstone market context, demand assessment and a 20-year forecast of occupancy levels for Homeground. The report examined the potential supply and demand conditions in Gladstone surrounding the temporary worker accommodation market resulting primarily from major infrastructure project development, operations and maintenance.

Although this was a detailed study, the report recognised that the future of major projects in Gladstone is not known and therefore addressed this uncertainty through the creation and examination of four potential scenarios of macro-economic conditions and investment levels. We have not elaborated on these four scenarios as we did not rely on this industry study to determine our estimate of the future maintainable earnings for Homeground. Rather, we have used the results of the industry study to consider if there would be a reasonable basis for our assessment of the future maintainable EBITDA for Homeground.

### Future maintainable earnings

To assess the future maintainable earnings of Homeground, we considered the historical and current EBITDA of Homeground (as described above). We also considered if there was a reasonable basis to expect that the historical and current occupancy and EBITDA is likely to be maintainable when compared to the results of the industry report commissioned by Decmil on Gladstone's market context, demand assessment and a 20-year forecast of occupancy levels for Homeground.

Due to the uncertainty in the long-term forecasts of occupancy levels for Homeground considered by the industry report commissioned by Decmil, we have not based our assessment of future maintainable earnings on the future occupancy levels forecasted in the industry report. Instead, we have considered the demand assessment contemplated by the industry report to conclude if there is a reasonable basis to expect that the level of future maintainable EBITDA that we used for Homeground is sustainable.

We analysed Homeground's actual results for the first three quarters of FY 2024 and the last quarter, being a combination of actual April 2024 results and forecast for the remaining two months of the last quarter (or Q4 FY 2024(F)), after making normalisation adjustments for a corporate overhead allocation and one-off, non-recurring and/or extraordinary items to reflect a level of EBITDA that is more sustainable and ongoing. This analysis is set out in the table as follows.

In A\$	Ref	Quarter to 30 Sep 23	Quarter to 31 Dec 23	Quarter to 31 Mar 24	Quarter to 30 Jun 24	Year to 30 Jun 24
<b>Revenue</b>		<b>3,582,318</b>	<b>3,085,223</b>	<b>5,628,365</b>	<b>7,188,685</b>	<b>19,484,591</b>
<b>Gross profit</b>		<b>1,010,386</b>	<b>629,092</b>	<b>2,341,207</b>	<b>3,334,036</b>	<b>7,314,721</b>
Gross profit %		28.2%	20.4%	41.6%	46.4%	37.5%
Overheads		(116,108)	(138,606)	(176,761)	(171,150)	(602,625)
Overheads %		3.2%	4.5%	3.1%	2.4%	3.1%
Miscellaneous income		(30,186)	5,978,537	37,386	26,072	6,011,809
<b>EBITDA</b>		<b>864,092</b>	<b>6,469,023</b>	<b>2,201,832</b>	<b>3,188,958</b>	<b>12,723,905</b>
EBITDA %		24.1%	209.7%	39.1%	44.4%	65.3%
<b>Adjustments:</b>						
Deduct allocation of corporate overheads	a)	(635,354)	(612,934)	(419,396)	(508,492)	(2,176,175)
Deduct non-cash income from revaluation of Homeground	b)	-	(5,887,000)	-	-	(5,887,000)
Add/(deduct) other miscellaneous income	c)	30,186	(91,537)	(37,386)	(26,072)	(124,809)
<b>Adjusted EBITDA</b>		<b>258,925</b>	<b>(122,448)</b>	<b>1,745,051</b>	<b>2,654,394</b>	<b>4,535,921</b>

Source: Decmil's management accounts, NPCF analysis

The table above should be read in conjunction with the following notes:

- Corporate overheads were allocated between Decmil's construction and engineering business and its Homeground business based on a proportion of 85% to construction and engineering and 15% to Homeground as estimated by the Company's management. These adjustments reflect a 15% allocation of the corporate overheads each quarter.



- b) The non-cash income from the revaluation of Homeground is an extraordinary income, which is also a one-off income in that quarter, and should not be included in assessing the future maintainable EBITDA. Therefore, this was reversed.
- c) Other miscellaneous income which reflects non-recurring other income or losses mainly related to incidental sales other than accommodation revenue, which we reversed.

To arrive at our estimate of the future maintainable EBITDA for Homeground, we used the average inflation adjusted EBITDA for the 10-year period to FY 2023 and forecast for FY 2024 of \$8.7 million and deducted the proportionate allocation of corporate overheads of approximately \$2.2 million as the basis for forming our estimate of the low end of the EBITDA range. We adopted a lower EBITDA of \$7 million. We annualised Homeground's Q3 FY 2024 and Q4 FY 2024(F) adjusted EBITDA to arrive at our estimate of the high end of the EBITDA range. Our estimated future maintainable EBITDA for Homeground is between \$7 million and \$9 million with a midpoint of \$8 million.

In A\$	Low	Mid	High
Homeground average inflation adj EBITDA FY 2014 to FY 2024(F)	6,532,360	-	-
less proportionate allocation of corporate overheads	-	-	8,798,889
Homeground H2 2024 Adjusted EBITDA annualised	-	-	8,798,889
<b>Estimated maintainable EBITDA</b>	<b>7,000,000</b>	<b>8,000,000</b>	<b>9,000,000</b>

Source: NPCF analysis

#### 8.2.4 Assessment of comparable accommodation company EBITDA multiples

We researched ASX listed companies comparable to Decmil's Homeground accommodation operations but were unable to identify any. However, we identified three international listed companies that provide workforce accommodation and accommodation services. The comparable company LTM and FY 24 Est EBITDA multiples analysis is set out in the table below. A summary description of the comparable companies is provided in Appendix E:

In ms	Market cap	Enterprise value	Revenue	LTM EBITDA	FY 24 Est EBITDA	LTM EBITDA margin	LTM EBITDA multiple	FY 24 Est EBITDA multiple
Black Diamond Group Limited (TSX:BDI)	C\$493	C\$705	C\$386	C\$97	C\$106	25.2%	7.25x	6.64x
Civeo Corporation (NYSE:CVEO)	US\$367	US\$441	US\$699	US\$102	US\$85	14.5%	4.35x	5.19x
Target Hospitality Corp. (NasdaqCM:TH)	US\$1,144	US\$1,219	US\$522	US\$314	US\$202	60.2%	3.88x	6.04x
<b>Mean</b>							<b>5.16x</b>	<b>5.95x</b>
<b>Median</b>							<b>4.35x</b>	<b>6.04x</b>

Source: NPCF analysis

The mean and median LTM EBITDA multiples were 5.16x and 4.35x, respectively. Based on management guidance and broker estimates, the mean and median FY 24 Est EBITDA multiples on these same companies were 5.95x and 6.04x, respectively. As our assessed maintainable EBITDA for Decmil's Homeground accommodation operations is on the basis of forecast earnings for FY 2024, the FY 24 Est EBITDA multiples of the listed companies above are more appropriate for the assessment of the EBITDA multiple to be applied to Decmil's Homeground accommodation operations earnings.

In determining an appropriate EBITDA multiple to be applied to Decmil's Homeground accommodation operations, we considered Decmil's comparability to the companies above, including factors such as size, business model, geographic and client end-industry diversification, and profitability, and concluded on a discount to the EBITDA multiple that factored in the following:

- the comparable companies listed above include companies with materially higher revenue than Decmil as well as revenues from multiple countries;
- the comparable companies offer modular/temporary/relocatable accommodation solutions, rather than just permanent sites similar to Homeground. Whilst the comparable companies listed above serve, among other end-industries, similar end-industries as Homeground, such as natural resources, mining, energy and infrastructure, the comparable companies are less dependent on workforce accommodation demand in any one region from these end-industries. Also, temporary accommodation solutions allow the comparable companies to provide lodging and hospitality services to a broader range of end-industries, including industries that may demonstrate less cyclicity than the end-industries within the Gladstone region that Homeground serves; and
- whilst over a 10-year period there is evidence of longer-term cyclicity to the earnings of a couple of the comparable companies, the earnings of the comparable companies in recent years appear to be much more predictable than the earnings of Homeground. This may be reflective of their business models that cater for workforce accommodation demand in various regions and geographies, and end-industries, rather than being demand dependent from one specific region.

Also, as we are assessing the value of a Decmil Share and a Decmil RCPS on a control basis, the EBITDA multiple to be applied to Decmil's Homeground accommodation operations should be adjusted to include a control premium since the trading multiples assessed above use market prices of securities that typically reflect a minority interest value of a security. We were unable to identify transactions involving companies similar to Homeground with data on control premiums paid. Therefore, the range of control premiums we applied were based on assessing control premiums paid over the last 10 years for a broad list of real estate operating companies.

In arriving at an appropriate multiple for the Homeground accommodation operations, we also considered the growth potential that has not been reflected in our estimate of future maintainable earnings for Homeground. These include factors such as:

- potential projects in the Gladstone region listed in section 5.3 of our Report and as contemplated by the industry report commissioned by Decmil;
- recent month-to-month increasing occupancy and EBITDA reported by Decmil for Homeground;
- recent offers received by Decmil for the sale of Homeground; and
- currently, there being no other comparable accommodation in the Gladstone region.

Based on the above, we have assessed the EBITDA multiple for Decmil's Homeground accommodation operations on a control basis to be between 4.75x and 5.25x.

We note that the value of Homeground as reported on Decmil's balance sheet as at 31 December 2023 was \$62.9 million which included an upward revaluation of approximately \$5.9 million undertaken in the half-year to 31 December 2023. As disclosed in Decmil's Half Year Report to 31 December 2023, Homeground was revalued by an independent valuer using a discounted cash flow model which we understand utilised assumptions considered by the industry report commissioned by Decmil including future occupancy levels forecasted in the industry report. We recognise that the value we obtained for the Homeground accommodation operations is lower due to the difference in assumptions and the valuation methodology applied. This includes our deduction of approximately \$2.2 million in allocated corporate overheads from future maintainable earnings which may not have been considered in the independent valuation.

#### 8.2.5 Assessment of Decmil's surplus assets/liabilities and debt

To determine Decmil's estimated equity value, we add/deduct the value of any surplus assets/liabilities Decmil has as well as deduct debt from the aggregate of the estimated enterprise values of Decmil's construction and engineering segment and Homeground.

We analysed Decmil's unaudited balance sheet as at 30 April 2024 and did not identify any assets or liabilities that are surplus to Decmil's operations.

As at 30 April 2024, Decmil had total debt of \$35.5 million including \$30.9 million of borrowings related to drawings under the bank overdraft facility and the \$20 million subordinated debt facility, \$1.2 million of hire purchase lease liabilities and \$3.4 million of lease liabilities. Decmil had a cash balance of \$5.4 million as at 30 April 2024. However, we have treated this level of cash as working capital and therefore excluded the cash balance in the adjustment of surplus assets/liabilities and debt.

#### 8.2.6 Total number of Decmil Shares and RCPS outstanding

To assess the value of a Decmil Share and a Decmil RCPS we have aggregated the amount of Decmil Shares and Decmil RCPS outstanding based on the following:

- As per section 5.7.1, Decmil has 155,586,158 shares outstanding;
- As per section 5.7.1, Decmil has 131,342,687 RCPS outstanding; and
- As per the SID, 20,707,457 performance rights shall vest and convert into Decmil Shares following Decmil's Shareholders and RCPS Holders approving the Schemes, so that the holders of these Decmil performance rights can participate as Decmil Shareholders in the Ordinary Scheme.

#### 8.2.7 Incremental value to RCPS Holders

As the redeemable convertible preference shares accrue and pay a preferential dividend, currently 12.00% per annum, RCPS Holders are entitled an incremental return above that of the Shareholders. We have assessed this incremental value to be the aggregate of the accrued preferential dividend as at the Record Date and the present value of future dividends as at the Record Date until the end of the initial term of the RCPS, and have calculated the incremental value to RCPS Holders to be \$0.048 per Decmil RCPS based on the following:

- an accrued preferential dividend as at the Record Date of \$0.009 per Decmil RCPS, based on the number of days elapsing between the 31 March 2024 (being the end date of the last payment period) and 8 August 2024 (being the currently expected Record Date); plus
- \$0.039 per Decmil RCPS, being our assessment of the present value of future dividends as at the Record Date that would have been paid until the end of the initial term of the RCPS on 23 July 2026. We discounted the future dividend stream to a present value using a 15% discount rate. The discount rate was calculated using the capital asset pricing model with inputs based on the current yield on 10-year Australian government bonds, an assessed unlevered beta and gearing ratio, an Australian equity market risk premium and a Decmil specific risk premium.

### **8.3 Value per Decmil Share and Decmil RCPS on a control basis using the quoted market price methodology**

Under our secondary approach, to value a Decmil Share and a Decmil RCPS on a control basis, we assessed the value of a Decmil Share and a Decmil RCPS using the quoted market price methodology. Trading history analysis of the quoted market price of a security provides a reliable measure of the fair market value of the securities of a company if, in an efficient and liquid market, it reflects all publicly available information.

#### 8.3.1 Value per Decmil Share on a control basis using the quoted market price methodology

As detailed below, we assessed the quoted market price for Decmil Shares by analysing the VWAP of Decmil Shares during various trading day periods prior to 15 April 2024, the last day of trading before the announcement that Decmil had entered into the SID with Macmahon.

Period to 15 April 2024	Share price low	Share price high	Cumulative volume traded	VWAP	Shares traded as % of issue	Shares traded % per week
1 trading day	\$0.170	\$0.170	56,813	\$0.170	0.04%	0.18%
7 trading days	\$0.155	\$0.175	3,347,698	\$0.169	2.15%	1.54%
30 trading days	\$0.155	\$0.175	8,543,135	\$0.167	5.49%	0.92%
60 trading days	\$0.155	\$0.200	13,824,771	\$0.169	8.89%	0.74%
90 trading days	\$0.155	\$0.200	20,179,432	\$0.173	12.97%	0.72%
180 trading days	\$0.155	\$0.200	33,691,270	\$0.170	21.66%	0.60%

Source: Yahoo! Finance and NPCF analysis

The table above shows that Decmil Shares have traded in a narrow range between \$0.155 and \$0.200 and that the VWAP has trended slightly down over the period. The average number of Decmil Shares traded per week as a percentage of capital ranged from 0.60% to 1.54% over the various periods, with most of the periods being lower than 1%, suggesting that there has been a low level of liquidity in Decmil shares.

Given the relatively narrow range that Decmil Shares have traded within, we have used the 30-day VWAP of \$0.167 and 90-day VWAP of \$0.173, being the VWAP low and high, respectively, for the assessed quoted market price. Therefore, under the quoted market price methodology, the value of a Decmil Share is assessed to be between \$0.167 and \$0.173 on a minority basis.

As quoted market prices of securities used in the trading history analysis usually reflect a minority interest value of a security, a control premium should be applied for the comparison to our assessed value per Decmil Share on a control basis using the capitalisation of earnings methodology.

Including a control premium range of 30% to 40%, based on premiums paid by acquirers of ASX listed construction and engineering companies over the last 10 years, the value of a Decmil Share on a control basis, using the quoted market price methodology, is between \$0.217 and \$0.242 with a midpoint of \$0.230.

### 8.3.2 Value per Decmil RCPS on a control basis using the quoted market price methodology

As detailed below, we assessed the quoted market price for Decmil RCPS by analysing the VWAP of Decmil RCPS during various trading day periods prior to 15 April 2024, the last day of trading before the announcement that Decmil had entered into the SID with Macmahon.

Period to 15 April 2024	RCPS price low	RCPS price high	Cumulative volume traded	VWAP	RCPS traded as % of issue	RCPS traded % per week
1 trading day	\$0.190	\$0.190	0	\$0.000	0.00%	0.00%
7 trading days	\$0.185	\$0.190	253,016	\$0.190	0.19%	0.14%
30 trading days	\$0.180	\$0.198	1,093,715	\$0.190	0.83%	0.14%
60 trading days	\$0.175	\$0.199	4,919,410	\$0.185	3.75%	0.31%
90 trading days	\$0.175	\$0.199	7,149,878	\$0.184	5.44%	0.30%
180 trading days	\$0.169	\$0.199	19,444,557	\$0.184	14.80%	0.41%

Source: Yahoo! Finance and NPCF analysis

The table above shows that Decmil RCPS have traded in a narrow range between \$0.169 and \$0.199 and that the VWAP has trended slightly up over the period. The average number of Decmil RCPS traded per week as a percentage of capital ranged from 0.14% to 0.41% over the various periods. The low percentage of Decmil RCPS traded per week suggests that there is generally low liquidity in Decmil RCPS.

Given the relatively narrow range that Decmil RCPS have traded within, we have used the 90-day VWAP of \$0.184 and 30-day VWAP of \$0.190, being the VWAP low and high, respectively, for the assessed quoted market price. Therefore, under the quoted market price methodology, the value of a Decmil RCPS is assessed to be between \$0.184 and \$0.190 on a minority basis.

As quoted market prices of securities used in the trading history analysis usually reflect a minority interest value of a security, a control premium should be applied for the comparison to our assessed value per Decmil RCPS on a control basis using the capitalisation of earnings methodology.

Including a control premium range of 30% to 40%, the value of a Decmil RCPS on a control basis, using the quoted market price methodology, is between \$0.239 and \$0.266 with a midpoint of \$0.252.

#### 8.4 Assessment of the value per Decmil Share

The table below summarises our assessment of the value per Decmil Share on a control basis using the capitalisation of earnings methodology as the primary approach and quoted market price as a secondary approach.

	Ref	Low	Preferred	High
Value per Decmil Share using earnings multiple methodology	8.2	\$0.241	\$0.293	\$0.347
Value per Decmil Share using quoted market price methodology	8.3.1	\$0.217	\$0.230	\$0.242

Source: NPCF analysis

Our assessed ranges for the value of a Decmil Share using the earnings multiple and quoted market price methodologies overlap at the lower end of the range for the values assessed under the earnings multiple methodology and the higher end of the range for the values assessed using the quoted market price methodology. The difference in values obtained from the two approaches may be due to the following:

- investors' perceived value of Decmil and its business may differ from our valuation opinion as investors may not necessarily have the same access to both private and public information that we had access to;
- investors' perception of the business of Decmil may have incorporated different views of the prospects of the business, the outlook for the end-industries Decmil's serves and the potential margins Decmil can achieve; and
- low liquidity in the trading of Decmil Shares (an absence of a sufficiently active trading market) may suggest that the share price may not reflect a fair market value of Decmil's Shares.

Having considered all of the above, we assessed that the value of a Decmil Share obtained under the earnings multiple methodology, in our view, is more reflective of its fundamental value. Therefore, we have relied on our primary valuation approach to conclude on the value of a Decmil Share on a control basis.

**Therefore, we consider the value per Decmil Share to be between \$0.241 and \$0.347 with a preferred value of \$0.293.**

#### 8.5 Assessment of the value per Decmil RCPS

The table below summarises our assessment of the value per Decmil RCPS on a control basis using the capitalisation of earnings methodology as the primary approach and quoted market price as a secondary approach.

	Ref	Low	Preferred	High
Value per Decmil RCPS using earnings multiple methodology	8.2	\$0.290	\$0.341	\$0.395
Value per Decmil RCPS using quoted market price methodology	8.3.2	\$0.239	\$0.252	\$0.266

Source: NPCF analysis

Our assessed range for the value of a Decmil RCPS using the earnings multiple is higher than the range for the value of a Decmil RCPS using the quoted market price methodology. The difference in values obtained from the two approaches may be due to the same reasons highlighted for the Decmil Shares in section 8.4. In addition, the RCPS investors may value the future preferential dividends differently to our valuation.

Having considered all of the above, we assessed that the value of a Decmil RCPS obtained under the earnings multiple methodology, in our view, is more reflective of its fundamental value. Therefore, we have relied on our primary valuation approach to conclude on the value of a Decmil RCPS on a control basis.

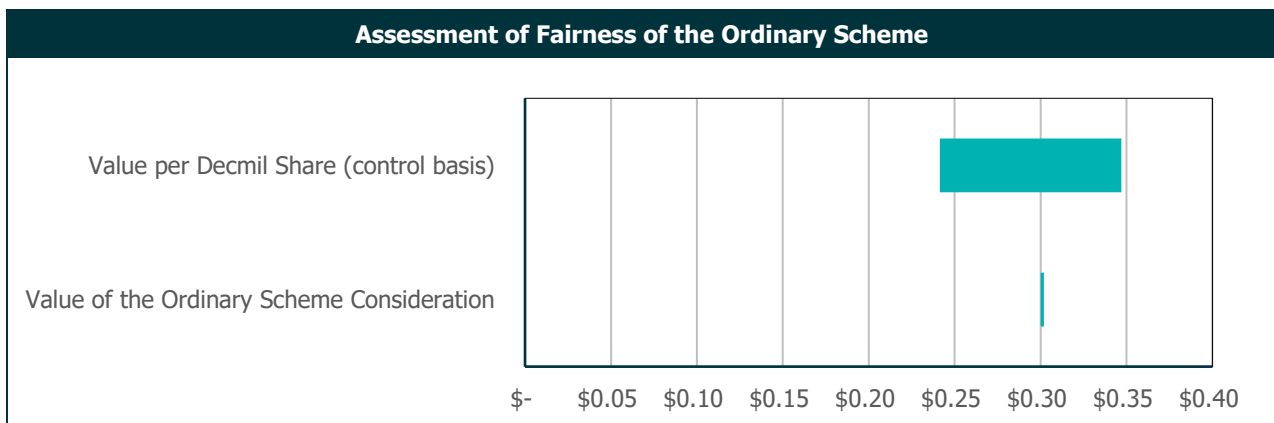
**Therefore, we consider the value per Decmil RCPS to be between \$0.290 and \$0.395 with a preferred value of \$0.341.**

## 9. ASSESSMENT OF FAIRNESS OF THE ORDINARY SCHEME

In determining whether or not the Ordinary Scheme is fair to Shareholders, we have compared the fair value of a Decmil Share on a control basis to the value of the Ordinary Scheme Consideration. This is summarised as follows.

	Ref	Low	Preferred	High
Value per Decmil Share on a control basis	8.2	\$0.241	\$0.293	\$0.347
Value of the Ordinary Scheme Consideration	1.2	\$0.300	\$0.300	\$0.300

Source: NPCF analysis



Source: NPCF analysis

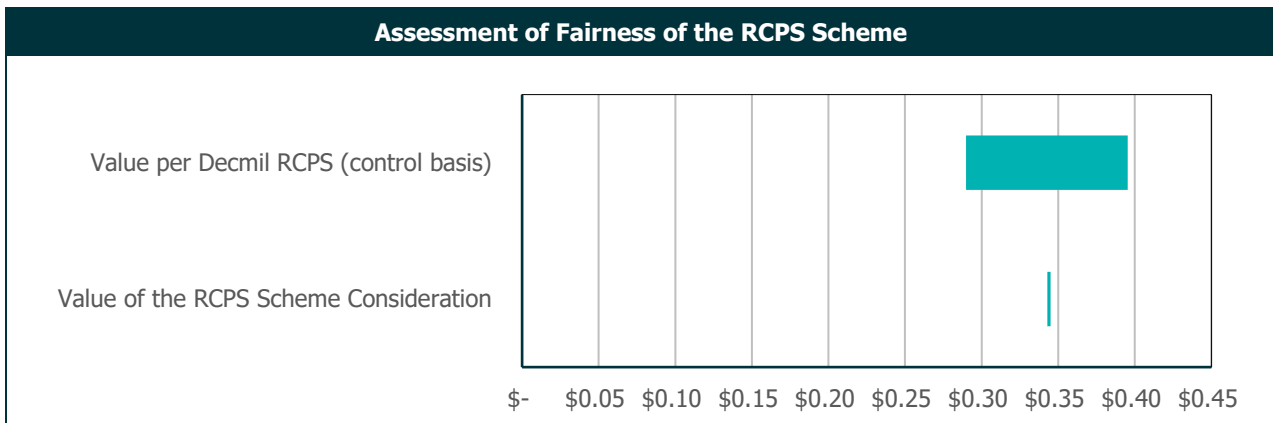
The analysis shows that the Ordinary Scheme Consideration is within the range that we have assessed as the fair value of a Decmil Share on a control basis. **Therefore, we have concluded that the Ordinary Scheme is fair to Shareholders.**

## 10. ASSESSMENT OF FAIRNESS OF THE RCPS SCHEME

In determining whether or not the RCPS Scheme is fair to RCPS Holders, we have compared the fair value of a Decmil RCPS on a control basis to the value of the RCPS Scheme Consideration. This is summarised as follows.

	Ref	Low	Preferred	High
Value per Decmil RCPS on a control basis	8.2	\$0.290	\$0.341	\$0.395
Value of the RCPS Scheme Consideration	1.2	\$0.343	\$0.343	\$0.343

Source: NPCF analysis



Source: NPCF analysis

The analysis shows that the RCPS Scheme Consideration is within the range that we have assessed as the fair value of a Decmil RCPS on a control basis. **Therefore, we have concluded that the RCPS Scheme is fair to RCPS Holders.**

## 11. ASSESSMENT OF REASONABLENESS OF THE SCHEMES

### 11.1 Approach to assessing Reasonableness

In accordance with RG 111, an offer is reasonable if it is fair. As set out above, the Ordinary Scheme is fair. Therefore, we conclude that the Ordinary Scheme is reasonable. Also as set out above, the RCPS Scheme is fair. Therefore, we conclude that the RCPS Scheme is reasonable.

We have also considered the advantages and disadvantages of the Schemes, as well as the consequences of Shareholders not approving the Ordinary Scheme and RCPS Holders not approving the RCPS Scheme.

### 11.2 Advantages of the Schemes

We consider the following advantages for Shareholders to approve the Ordinary Scheme and RCPS Holders to approve the RCPS Scheme.

#### 11.2.1 Shareholders and RCPS Holders are receiving a premium for their Decmil Shares and Decmil RCPS respectively

The share price and RCPS price chart shown in section 5.8 shows that the closing prices of a Decmil Shares and Decmil RCPS on 15 April 2024, the last trading day before the announcement that Decmil had entered into the SID with Macmahon, were \$0.17 and \$0.19 respectively.

Comparing these with the Ordinary Scheme Consideration and the RCPS Scheme Consideration of \$0.30 and \$0.343 respectively implies that the Shareholders and RCPS Holders will receive a premium of \$0.13 and \$0.153 for their Decmil Shares and Decmil RCPS respectively.

The Ordinary Scheme Consideration of \$0.30 per Decmil Share represents a premium of 76.5% over the closing share price of \$0.17 on 15 April 2024 and a 79.6% premium over the 30-day volume weighted average price of Decmil's shares to 15 April 2024.



	1 day	30 day	60 day	90 day
VWAP of Decmil Shares during the period to 15 April 2024	\$0.170	\$0.167	\$0.169	\$0.173
Value of the Ordinary Scheme Consideration	\$0.300	\$0.300	\$0.300	\$0.300
Premium of the Ordinary Scheme Consideration over Decmil share price	76.5%	79.6%	77.5%	73.4%

Source: Yahoo! Finance and NPCF analysis

The RCPS Scheme Consideration of \$0.343 per Decmil RCPS represents a premium of 80.5% over the closing RCPS price of \$0.19 on 15 April 2024 and an 80.5% premium over the 30-day volume weighted average price of Decmil's RCPS to 15 April 2024.

	1 day	30 day	60 day	90 day
VWAP of Decmil RCPS during the period to 15 April 2024	\$0.190	\$0.190	\$0.185	\$0.184
Value of the RCPS Scheme Consideration	\$0.343	\$0.343	\$0.343	\$0.343
Premium of the RCPS Scheme Consideration over Decmil RCPS price	80.5%	80.5%	85.4%	86.4%

Source: Yahoo! Finance and NPCF analysis

In the absence of the Schemes or a similar transaction, Shareholders and RCPS Holders, by selling their Decmil Shares and Decmil RCPS respectively in an open stock market, can only realise their investment at a price which does not include any premium for control.

**11.2.2 Decmil had approximately \$185 million in tax losses which are not reflected in the Company's share price until they are utilised but the Schemes may allow a portion of these tax losses to be crystallised for Shareholders and RCPS Holders through the payment of a premium for their Decmil Shares and Decmil RCPS**

Decmil had approximately \$185 million in tax losses which is not reflected in the Company's share and RCPS prices until their benefits are crystallised when they are utilised. These tax losses have also not been considered in our valuation of Decmil's shares and RCPS. The utilisation of the tax losses, subject to meeting specific conditions, when utilised, is likely to be gradual over time. Shareholders and RCPS Holders may need to hold their Decmil Shares and Decmil RCPS over the period of time they are utilised in order to crystallise the benefits of those tax losses.

Whilst we are not providing tax advice in these comments, and Shareholders and RCPS Holders need to seek their own independent tax advice to validate this, we understand that Macmahon may be able to utilise these tax losses and may have included this benefit in the premium contained in the Ordinary Scheme Consideration and RCPS Scheme Consideration. If so, then the Schemes could be viewed as allowing a portion of these tax losses to be crystallised for Shareholders and RCPS Holders through the payment of a premium for their shares and RCPS.

**11.2.3 Decmil Shares and Decmil RCPS have not been liquid and this may give rise to the price of Decmil Shares and Decmil RCPS not fully reflecting their value and likely trade at a discount to their intrinsic fair values**

Our analysis set out in section 5.8 shows that the average number of Decmil Shares traded per week as a percentage of shares issued ranged from 0.60% to 1.54% over the various periods, with most of the periods being lower than 1%, suggesting that there has been a low level of liquidity in Decmil Shares.

Our analysis set out in section 5.8 also shows that the average number of Decmil RCPS traded per week as a percentage of RCPS issued ranged from 0.14% to 0.41% over the various periods, which suggests that there has also been a low level of liquidity in Decmil RCPS.



A stock's liquidity generally refers to how quickly it can be transacted without substantially impacting on the stock price. The most recent share trading history provides evidence of the fair market value of the shares of a company where they are publicly traded in an informed and liquid market. Therefore, a stock with low liquidity may suggest that its traded price may not fully reflect the fair market value of the stock. Since Decmil's shares and RCPS have not been liquid, the observed price of Decmil Shares and Decmil RCPS may not fully reflect their value and may likely trade at a discount to their intrinsic fair values.

11.2.4 Whilst Decmil's recent improvement in profitability brings optimism of improved earnings for its construction and engineering business, there is no guarantee that this will continue and there is no certainty that Decmil's share price and RCPS price will not fall from current levels

As noted in section 8.2.1, the recent two quarters (second and third quarters of FY 2024) and April 2024 of actual results have demonstrated a turning point in profit margins and profitability from the decline in performance since 2016 for Decmil's construction and engineering business in particular. We have considered if there was a reasonable basis to expect that the turn in profit margins and profitability is possible to be sustainable and maintainable after evaluating Decmil's analysis of probability weighted revenue streams and gross profit margins of projects in the pipeline.

However, there is no guarantee that this will continue and there is no certainty that Decmil's profit margins and profitability will not fall again (to historical levels) and therefore, there is no certainty that Decmil's share price and RCPS price will not fall from current levels.

Therefore, whilst Decmil's recent improvement in profitability brings optimism of improved earnings for its construction and engineering business, there is no guarantee that this will continue and there is no certainty that Decmil's share price and RCPS price will not fall from current levels.

11.2.5 The Schemes provide an opportunity for Shareholders and RCPS Holders to crystallise their investment and receive cash for their Decmil Shares and Decmil RCPS respectively

The Schemes, if implemented, provide an opportunity for the Shareholders and RCPS Holders to realise their investment in full as the Ordinary Scheme Consideration and the RCPS Scheme Consideration are payable fully in cash. This provides certainty for the Shareholders and RCPS Holders who wish to exit their investment in Decmil and will no longer be subject to the risks and uncertainties of remaining a Decmil Shareholder and a Decmil RCPS Holder.

As we have noted in this Report, the price of Decmil Shares have fallen from a high of \$0.525 in the last three years to \$0.17 per share on 15 April 2024. The price of Decmil RCPS, which were issued only more recently, traded within a narrower range of between \$0.169 and \$0.199, closing at \$0.19 on 15 April 2024.

As assessed above, even though Decmil's recent improvement in profitability brings optimism of improved earnings for its construction and engineering business, there is no guarantee that this will continue and there is no certainty that Decmil's share price and RCPS price will not fall from current levels.

The Schemes, if implemented, removes these risks and uncertainties for Shareholders and RCPS Holders as they will have cash in hand as an immediate return for their investments.

11.2.6 The Schemes also allow Shareholders and RCPS Holders to sell their Decmil Shares and Decmil RCPS respectively without incurring any brokerage charges on the transfers

Brokerage charges are usually incurred when security holders sell their securities. However, if the Schemes are implemented, they will allow Shareholders and RCPS Holders to sell their Decmil Shares and Decmil RCPS respectively without incurring any brokerage charges on the transfers.

### **11.3 Disadvantages of the Schemes**

#### **11.3.1 Shareholders and RCPS Holders will no longer be able to participate in the future returns or upside potential of Decmil once they accept the offer under the Schemes as they will no longer hold Decmil Shares and Decmil RCPS respectively**

If the Schemes are implemented, Shareholders and RCPS Holders will no longer be able to participate in the future returns or upside potential of Decmil once they accept the offer under the Schemes as they will no longer hold Decmil Shares and Decmil RCPS respectively.

However, as analysed above, remaining a Shareholder and a RCPS Holder means that they will continue to be subject to risks and uncertainties of remaining a Shareholder and a RCPS Holder as there is no guarantee that Decmil's recent improvement and profitability will continue and there is no certainty that Decmil's share price and RCPS price will not fall from current levels.

#### **11.3.2 Whilst the Schemes allow Shareholders and RCPS Holders to crystallise their investment, the acceleration to exit their investment in this manner may or may not be their preference**

Whilst the Schemes, if implemented, allow Shareholders and RCPS Holders to crystallise their investment, this may result in a loss or gain on investment, and the acceleration to exit their investment in this manner may or may not be their preference.

The exit of their investment in Decmil may also change the growth and/or risk profile of their investment portfolio which may or may not be their preference.

The tax consequences of the Schemes, if implemented, may or may not also suit the financial position of Decmil's Shareholders and RCPS Holders. To this end, Decmil's Shareholders and RCPS Holders are required to seek their own independent professional tax advice about their individual particular circumstances before making a decision whether or not to vote for the respective Schemes.

#### **11.3.3 Shareholders and RCPS Holders may prefer to wait for a superior offer to emerge in the near future**

Shareholders and RCPS Holders may believe that a superior offer than the Schemes may emerge in the near future and may prefer to wait for that possibility to happen. If the Schemes are implemented, Shareholders and RCPS Holders will no longer hold Decmil Shares and Decmil RCPS respectively, and therefore, if a superior offer emerges in the near future, they will not be able to obtain the benefit of any such offer.

### **11.4 Consequences of not approving the Schemes**

The Directors have advised us that there are currently no superior offers to the Ordinary Scheme and RCPS Scheme other than the status quo.

We note that the Ordinary Scheme and RCPS Scheme are inter-conditional, meaning that in order for either to occur, each of the Ordinary Scheme and RCPS Scheme must be passed by Shareholders and RCPS Holders, respectively. In the event that either or both of the Ordinary Scheme and RCPS Scheme are not passed, neither of the Ordinary Scheme and RCPS Scheme will take effect and other matters contemplated by the Scheme Booklet will not be completed pursuant to the Scheme Booklet.

If the Schemes are not implemented, Shareholders and RCPS Holders of Decmil will continue to remain as Shareholders and RCPS Holders of Decmil.

We consider the following consequences if the Schemes are not implemented:

- the level of trading of the Company's shares and RCPS is likely to remain low, resulting in an illiquid trading market for the Company's shares and RCPS on the ASX, thereby limiting trading opportunities for Shareholders and RCPS Holders and the shares and RCPS may continue to trade at a discount to their intrinsic fair value;
- Shareholders and RCPS Holders will continue to be subject to the risks and uncertainties of remaining a Decmil Shareholder and a Decmil RCPS Holder;
- the Company will have to continue to meet its financial, administrative and compliance obligations and costs associated with maintaining a listing on the ASX, reducing profits and returns for the Shareholders and RCPS Holders; and
- the BFA entered into with Macmahon, to assist Decmil to compete more effectively for work and to comply with Decmil's obligations to provide bank guarantees and performance bonds under existing contracts, will be terminated if the SID is terminated. The termination of the BFA may hinder Decmil's ability to compete more effectively for work (including by tendering for new contracts) and to comply with Decmil's obligations to provide bank guarantees and performance bonds under existing contracts, thereby increasing the Company's risks under existing contracts and possibly limiting the Company's potential for growth if no alternative arrangements are made to enable Decmil to comply with its obligations under its existing contracts or to compete more effectively for work.

After taking into account other significant factors, and in the absence of a superior offer, **we have concluded that the Schemes are reasonable.**

## **12. OPINION**

**In our opinion, the Ordinary Scheme is fair and reasonable. As the Ordinary Scheme is fair and reasonable, it is in the best interests of Shareholders, in the absence of a superior offer.**

**In our opinion, the RCPS Scheme is fair and reasonable. As the RCPS Scheme is fair and reasonable, it is in the best interests of RCPS Holders, in the absence of a superior offer.**

The ultimate decision on whether to approve the Schemes should be based on each security holder's own assessment of their circumstances. We strongly recommend that security holders consult their own professional advisers, carefully read all relevant documentation provided, including the Scheme Booklet, and consider their own specific circumstances before voting in favour of or against the Schemes.

**APPENDIX A – GLOSSARY**

<b>Term</b>	<b>Definition</b>
<b>AFCA</b>	Australian Financial Complaints Authority
<b>AFSL</b>	Australian Financial Services Licence
<b>APES 225</b>	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
<b>ASIC</b>	Australia Securities and Investment Commission
<b>ASX</b>	Australian Securities Exchange
<b>BFA</b>	Bond facility agreement entered into between Decmil, certain members of Decmil and Macmahon on or around 30 May 2024, pursuant to which Macmahon may (if requested by Decmil and approved by Macmahon) arrange the issue of bonds required by counterparties to Decmil's operational contracts
<b>CAGR</b>	Compound annual growth rate
<b>Corporations Act</b>	Corporations Act 2001 (Cth)
<b>Corporations Regulations</b>	Corporations Regulations 2001
<b>Decmil, Client or Company</b>	Decmil Group Limited (ACN: 111 210 390)
<b>Decmil Option Consideration</b>	Consideration for the cancellation of Decmil options to acquire shares, based on: (a) \$0.048 per Decmil option expiring on 23 October 2026 with a \$0.252 exercise price; and (b) \$nil per Decmil option expiring on 31 October 2024 with a \$0.75 exercise price.
<b>Decmil RCPS</b>	Redeemable convertible preference shares of Decmil Group Limited
<b>Decmil Shares</b>	Fully paid ordinary shares in Decmil Group Limited
<b>Decmil Warrant Consideration</b>	An aggregate of \$5,904,461.50 in consideration payable to the holders of Decmil warrants for the cancellation of all of the warrants that are on issue
<b>FSG</b>	Financial Services Guide
<b>FY 2021</b>	The financial year ended 30 June 2021
<b>FY 2022</b>	The financial year ended 30 June 2022
<b>FY 2023</b>	The financial year ended 30 June 2023
<b>FY 2024</b>	The financial year ended 30 June 2024
<b>FY 24 Est</b>	Estimate or guidance earnings for the financial year ending 30 June 2024 or 31 December 2024
<b>Group</b>	Decmil Group Limited and its subsidiaries
<b>Homeground</b>	The Homeground Gladstone Accommodation Village
<b>HY 2024</b>	The half-year ended 31 December 2023
<b>KAM</b>	Key audit matter
<b>LTM</b>	Last twelve months
<b>Macmahon</b>	Macmahon Holdings Limited (ACN: 007 634 406)
<b>Nexia entities</b>	Related entities within the Nexia Perth Group
<b>Nexia Perth Group</b>	Nexia Perth Pty Ltd group entities
<b>NPCF</b>	Nexia Perth Corporate Finance Pty Ltd (AFSL 289358)
<b>Ordinary Scheme</b>	The scheme of arrangement under Part 5.1 of the Corporations Act between Decmil and the Decmil Shareholders under which Decmil Shareholders will receive the Ordinary Scheme Consideration
<b>Ordinary Scheme Consideration</b>	\$0.30 per Decmil Share
<b>PPP</b>	Public-private partnership
<b>Q1 FY 2024</b>	The first quarter of FY 2024
<b>Q2 FY 2024</b>	The second quarter of FY 2024
<b>Q3 FY 2024</b>	The third quarter of FY 2024

<b>Term</b>	<b>Definition</b>
<b>Q4 FY 2024(F)</b>	The forecast financial period comprising actual April 2024 results and the forecast for May 2024 and June 2024
<b>RCPS</b>	Redeemable convertible preference shares of Decmil Group Limited
<b>RCPS Holders</b>	The holders of Decmil RCPS
<b>RCPS Scheme</b>	The scheme of arrangement under Part 5.1 of the Corporations Act between Decmil and the Decmil RCPS Holders under which Decmil RCPS Holders will receive the RCPS Scheme Consideration
<b>RCPS Scheme Consideration</b>	The aggregate of: (a) \$0.335 per Decmil RCPS; and (b) an amount equal to \$0.008 per Decmil RCPS (in compensation for the dividend that would otherwise have been earned by each Decmil RCPS Holder)
<b>Record Date</b>	The second business day after the date the Ordinary Scheme and the RCPS Scheme become effective
<b>Report</b>	Independent Expert's Report
<b>RETs</b>	Renewable energy targets
<b>RG 60</b>	ASIC Regulatory Guide 60: Schemes of arrangement
<b>RG 111</b>	ASIC Regulatory Guide 111: Content of expert reports
<b>RG 112</b>	ASIC Regulatory Guide 112: Independence of experts
<b>Scheme Booklet or Document</b>	The Scheme Booklet to be sent to Shareholders and RCPS Holders on or about 2 July 2024 in which this Report is included
<b>Schemes</b>	The Ordinary Scheme and RCPS Scheme
<b>Shareholders</b>	The holders of Decmil Shares
<b>SID</b>	Scheme Implementation Deed between Decmil Group Limited and Macmahon Holdings Limited
<b>VWAP</b>	Volume weighted average price

## **APPENDIX B – SOURCES OF INFORMATION**

This Report has been based on the following information:

- Audited financial statements of Decmil Group Limited for the years ended 30 June 2021, 30 June 2022 and 30 June 2023;
- Reviewed financial statements of Decmil Group Limited for the half-year ended 31 December 2023;
- Results presentation of Decmil Group Limited for the half-year ended 31 December 2023;
- Decmil Group Limited's unaudited year-to-date 30 April 2024 profit and loss, and forecast for May 2024 and June 2024;
- Decmil Group Limited's unaudited balance sheet as at 30 April 2024;
- Decmil Group Limited's securities registers, and shareholder and RCPS holder range reports;
- The Scheme Implementation Deed dated 15 April 2024 between Decmil Group Limited and Macmahon Holding Limited;
- Draft Scheme Booklet;
- Decmil's analysis of its pipeline of construction and engineering opportunities;
- Subscription based data from S&P Capital IQ;
- IBISWorld's Construction in Australia Industry Report dated November 2023;
- IBISWorld's Heavy Industry and Other Non-Building Construction in Australia Industry Report dated January 2024;
- IBISWorld's Road and Bridge Construction in Australia Industry Report dated December 2023;
- IBISWorld's Wind Farm Construction in Australia Industry Report dated September 2023;
- Industry report commissioned by Decmil on Gladstone's market context and demand assessment;
- Publicly available information; and
- Discussions with directors and/or management of Decmil Group Limited.

## **APPENDIX C – STATEMENT OF DECLARATION & QUALIFICATIONS**

### **Confirmation of Independence**

Prior to accepting this engagement Nexia Perth Corporate Finance Pty Ltd ('NPCF') determined its independence with respect to Decmil Group Limited and Macmahon Holdings Limited with reference to ASIC Regulatory Guide 112: Independence of expert's Reports ('RG 112'). NPCF considers that it meets the requirements of RG 112 and that it is independent of Decmil Group Limited and Macmahon Holdings Limited.

Also, in accordance with s648(2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Decmil Group Limited and Macmahon Holdings Limited, their related parties or associates that would compromise our impartiality.

Evelyn Tan and Muranda Janse Van Nieuwenhuizen, both Directors and Representatives of NPCF, have prepared this Report. Neither they nor any related entities of NPCF have any interest in the promotion of the Schemes nor will NPCF receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this Report. Our fee is not contingent upon the success or failure of the Schemes, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, NPCF does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

NPCF provided a draft copy of this Report to the directors and management of Decmil Group Limited for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of NPCF alone. Changes made to this Report, as a result of the review by the directors and management of Decmil Group Limited, have not changed the methodology or conclusions reached by NPCF.

### **Qualifications**

NPCF carries on business at Level 3, 88 William Street, Perth WA 6000. NPCF holds Australian Financial Services Licence No 289358 authorising it to provide financial product advice on securities to retail clients. NPCF's directors and representatives are therefore qualified to provide this Report.

The persons specifically involved in preparing and reviewing this Report were Evelyn Tan and Muranda Janse Van Nieuwenhuizen, both of whom are Directors of NPCF. Evelyn Tan is a CFA<sup>®</sup> Charterholder, a member of the CFA Institute and a member of the CFA Society Perth. She is also an affiliate member of Chartered Accountants Australia and New Zealand. Evelyn holds a Master of Applied Finance from the University of Melbourne and has over 20 years of combined professional experience in the fields of corporate finance and banking in Australia and Singapore. Muranda Janse Van Nieuwenhuizen is a member of Chartered Accountants Australia and New Zealand as well as the South African Institute of Chartered Accountants. She is also a Registered Company Auditor.

### **Consent and Disclaimers**

The preparation of this Report has been undertaken at the request of the directors of Decmil Group Limited. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose than to accompany the Scheme Booklet to be sent to Decmil Group Limited Shareholders and RCPS Holders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of NPCF's opinion as to whether or not the Schemes are fair and reasonable and in the best interests of Decmil Group Limited's Shareholders and RCPS Holders.

NPCF consent to the issue of this Report in the form and context in which it is included in the Scheme Booklet to be sent to Decmil Group Limited's Shareholders and RCPS Holders.

Shareholders and RCPS Holders should read all documents issued by Decmil Group Limited that consider the Schemes in their entirety, prior to proceeding with a decision. NPCF had no involvement in the preparation of these documents, with the exception of our Report.

This Report has been prepared specifically for the Shareholders and RCPS Holders of Decmil Group Limited. Neither NPCF, nor any member or employee thereof undertakes responsibility to any person, other than a Shareholder or RCPS Holder of Decmil Group Limited, in respect of this Report, including any errors or omissions howsoever caused. This Report is 'General Advice' and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

#### **APES 225**

Our Report has been prepared in accordance with APES 225 Valuation Services.



## **APPENDIX D – VALUATION METHODOLOGIES**

In preparing this Report we have considered valuation methods commonly used in practice and those recommended by RG 111. These methods include:

- the discounted cash flow method;
- the capitalisation of earnings method;
- asset based methods; and
- analysis of share market trading.

### **Discounted Cash Flow Method**

#### Description

Of the various methods noted above, the discounted cash flow method has the strongest theoretical standing. It is also widely used in practice by corporate acquirers and company analysts. The discounted cash flow method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A discounted cash flow valuation requires:

- a forecast of expected future cash flows;
- an appropriate discount rate; and
- an estimate of terminal value.

It is necessary to project cash flows over a suitable period of time (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue growth, future margins, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under capitalisation of future maintainable earnings below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows.

The discounted cash flow method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All of these assumptions can be highly subjective sometimes leading to a valuation conclusion presented as a range that is too wide to be useful.

#### Use of the Discounted Cash Flow Method

A discounted cash flow approach is usually preferred when valuing:

- early-stage companies or projects;
- limited life assets such as a mine or toll concession;
- companies where significant growth is expected in future cash flows; or
- projects with volatile earnings.

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support a capitalisation of earnings approach. However, it may not be appropriate if reliable forecasts of cash flow are not available and cannot be determined.

## **Capitalisation of Earnings Method**

### Description

The capitalisation of earnings method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a discounted cash flow, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The capitalisation of earnings methodology involves the determination of:

- a level of future maintainable earnings; and
- an appropriate capitalisation rate or multiple.

A multiple can be applied to any of the following measures of earnings:

Revenue – most commonly used for companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA - most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBIT - in most cases EBIT will be more reliable than EBITDA as it takes account of the capital intensity of the business.

NPAT - relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g. financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT value the whole businesses, or its enterprise value irrespective of the gearing structure. NPAT (or P/E) values the equity of a business.

The multiple selected to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money all wrapped up in a single number. Multiples can be derived from three main sources.

Using the guideline public company method, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market, such as the ASX or the NSX. The merger and acquisition method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business. In Australia this has been called the comparable transaction methodology.

### Use of the Capitalisation of Earnings Method

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. This method is less appropriate for valuing companies or assets if:

- there are no suitable listed company or transaction benchmarks for comparison;
- the asset has a limited life;
- future earnings or cash flows are expected to be volatile; or
- there are negative earnings or the earnings of a business are insufficient to justify a value exceeding the value of the underlying net assets.

## **Asset Based Methods**

### Description

Asset based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset-based methods including:

- orderly realisation;
- liquidation value;
- net assets on a going concern basis;
- replacement cost; and
- reproduction cost.

The orderly realisation of assets method estimates Fair Market Value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame.

Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but do not take account of realisation costs.

The asset / cost approach is generally used when the value of the business's assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than an economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset approach would be the most appropriate method.

### Use of Asset Based Methods

An asset-based approach is a suitable valuation method when:

- an enterprise is loss making and is not expected to become profitable in the foreseeable future;
- assets are employed profitably but earn less than the cost of capital;
- a significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments); or
- it is relatively easy to enter the industry (for example, small machine shops and retail establishments).

Asset based methods are not appropriate if:

- the ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets; or
- a business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets.

## **Analysis of Share Trading**

The most recent share trading history provides evidence of the Fair Market Value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

## APPENDIX E – SUMMARY OF COMPARABLE COMPANIES

Descriptions of the comparable companies are as follows:

Company	Business description
Downer EDI Ltd (ASX:DOW)	<p>Downer EDI Limited operates as an integrated facilities management services provider in Australia and New Zealand. It operates through Transport, Utilities, and Facilities segments. The company offers road and transport infrastructure services including road network management, routine road maintenance, asset management systems, spray sealing, asphalt laying, and manufacturing and supply of bitumen-based products, and asphalt products, as well as provides landfill diversion solutions and intelligent transport systems; and design and construction of light rail and heavy rail networks, signaling, track and station works, rail safety technology, and bridges. It also designs and manufactures life-support services comprising fleet maintenance, operations and comprehensive overhaul of assets; and building and construction solutions. In addition, it operates power, gas, water and telecommunications businesses, which includes planning, designing, constructing, operating, maintaining, managing, and decommissioning of power and gas network assets; water lifecycle solutions for municipal and industrial water users including water and wastewater treatment; network construction and rehabilitation services; and end-to-end technology and communications solutions, such as design, civil and network construction; and operates and maintains fiber, copper, and radio networks. Further, the company provides outsourced facility services including technical and engineering services; maintenance and asset management, such as shutdowns, turnaround and outage delivery; and operates and maintains refrigeration solutions and ongoing management, as well as offers feasibility studies; engineering design; procurement and construction; commissioning and decommissioning services; and design and manufacture of mineral process equipment. Downer EDI Limited was incorporated in 1989 and is headquartered in Sydney, Australia.</p>
DRA Global Ltd (ASX:DRA)	<p>DRA Global Limited operates as a multi-disciplinary engineering, project delivery, and operations management company focused on the mining, mineral, and metal sectors worldwide. It offers project development services, including concept development, preliminary economic assessments, study development, feasibility studies, economic and project evaluation, estimating and planning, project risk assessment, sustainability solutions, and front-end solutions, as well as mineral economics evaluation and advisory services. The company also provides project delivery and execution services, such as front-end engineering design, engineering design, procurement, detailed design, project management, construction management, commissioning, commercial contract management, capital portfolio delivery, and sustainable project solutions. In addition, it offers operations and maintenance services comprising plant operation and management, maintenance and operations advisory, operational assessment, management and data systems, asset integrity management, brownfield improvements and plant modifications, sustaining capital, process optimization, and sustainability solutions. DRA Global Limited was founded in 1984 and is headquartered in Perth, Australia.</p>
Duratec Ltd (ASX:DUR)	<p>Duratec Limited, together with its subsidiaries, engages in the provision of assessment, protection, remediation, and refurbishment services to a range of assets, primarily steel and concrete infrastructure in Australia. It operates through Defence, Mining &amp; Industrial, Buildings &amp; Facades, and Energy segments. The Defence segment delivers capital facilities infrastructure and estate works program projects. The Mining &amp; Industrial segment offers preventative maintenance programmes. The Buildings &amp; Facades segment provides façade condition assessment and restoration completion services. The Energy segment is involved in the operation of non-defence capital facilities, and remediation and refurbishment of critical assets. The company also provides onshore and offshore engineering services to the oil &amp; gas industry. In addition, it offers asset protection, waterproofing, building refurbishment, infrastructure maintaining and upgrading, facade remediation and cladding replacement, durability engineering, specialist access system, construction, petrography lab service, spatial integration, and jack up barge hire solutions, as well as preliminary assessment, diagnosis, engineering detailing and scheduling for projects. The company serves defense, mining, oil and gas, transport, marine, energy,</p>

Company	Business description
GenusPlus Group Ltd (ASX:GNP)	building and façade, heritage, property, industrial, and water infrastructure industries. Duratec Limited was incorporated in 2010 and is headquartered in Wangara, Australia. GenusPlus Group Limited engages in the installation, construction, and maintenance of power and communication systems in Australia. The company operates through three segments: Infrastructure, Communications, and Industrial. It offers various services, including planning, designing, constructing, operating, testing, maintaining, managing, and decommissioning power network assets for electricity utilities, infrastructure developers, telecommunications networks, and mining companies. The company also provides electrical and instrumentation, and mechanical services to mining, oil and gas, infrastructure, and power generation sectors; and turnkey communications solutions, such as feasibility, engineering design, site acquisition, logistics, procurement, construction, and integration. GenusPlus Group Limited was incorporated in 2017 and is headquartered in Belmont, Australia.
Lycopodium Ltd (ASX:LYL)	Lycopodium Limited provides engineering and project delivery services in the resources, infrastructure, and industrial processes sectors. It operates through four segments: Mineral, Process Industries, Project Services-Africa, and Others. The company provides engineering and related services to junior exploration companies, multinational producers, and manufacturing and renewable energy facilities; project management, construction management, and commissioning services to the extractive mining industry; and asset management, engineering, architectural, and project delivery services to a range of private and public clients. It also offers metallurgical consulting services to mineral processing community in the field of comminution, hydrometallurgy, and mineral processing design; and drafting services to offshore entities. Lycopodium Limited was founded in 1992 and is headquartered in East Perth, Australia.
Monadelphous Group Ltd (ASX:MND)	Monadelphous Group Limited, an engineering group, provides construction, maintenance, and industrial services to resources, energy, and infrastructure industries in Australia, Chile, Mongolia, Papua New Guinea, and internationally. It operates through Engineering Construction, and Maintenance and Industrial Services divisions. The company offers fabrication, modularization, offsite pre-assembly, procurement, and installation of structural steel, tankage, mechanical and process equipment, piping, demolition, and remediation works; multi-disciplined construction services; plant commissioning; electrical and instrumentation services; engineering, procurement, and construction services; process and non-process maintenance services; and front-end scoping, shutdown planning, management, and execution services. It also provides water and wastewater asset construction and maintenance; transmission pipelines and facilities construction; power and water assets operation and maintenance; heavy lift and specialist transport; access solutions; dewatering services; corrosion management services; specialist coatings; rail maintenance services; and insulation and cladding services. In addition, it offers turnkey design and construction, heavy lift and crane, and civil and electrical services. The company was founded in 1972 and is headquartered in Perth, Australia.
NRW Holdings Ltd (ASX:NWH)	NRW Holdings Limited, through its subsidiaries, provides diversified contract services to the resources and infrastructure sectors in Australia. The company operates through three segments: Civil; Mining; and Minerals, Energy & Technologies. The Civil segment delivers private and public civil infrastructure, mine development, bulk earthworks, and commercial and residential subdivision projects. Its civil construction projects include roads, bridges, tailings storage facilities, rail formations, ports, renewable energy projects, water infrastructure, and concrete installations. The Mining segment engages in the mine management, contract mining, load and haul, dragline, drill and blast, and coal handling prep plant operations; maintenance activities; and fabrication of water and service vehicles. The Minerals, Energy & Technologies segment provides materials handling, onsite maintenance, and shutdown services; industrial engineering and fabrication services; and industrial engineering and construction services. It also provides heat treatment services, as well as mining equipment solutions. The company was founded in 1994 and is headquartered in Belmont, Australia.
Saunders International Ltd (ASX:SND)	Saunders International Limited provides design, construction, fabrication, shutdown, maintenance, and industrial automation services to organizations of steel storage tanks and concrete bridges in Australia. The company's engineering construction provides front end engineering design; structural mechanical and piping design; fuel terminals 3D

Company	Business description
	<p>drafting; designs and implements control systems, networks, and high and low voltage electrical solutions; builds new tanks for bulk fuel and chemical storage, and water reservoirs and pumping stations, as well as provides EPC and EPCM services. Its civil services are involved in the construction of roads and rail bridges, marine structures, concrete foundation systems; precast fabrication; manufacturing of complex super T and planks; excavation and installation of support structures; and provision of road work services. The company also provides asset services, such as tanks repair and maintenance, asset management, industrial boiler work, plant and facility shutdowns and decommissioning, facilities maintenance, structural mechanical piping installation, pump and valve overhaul or replacement, pressure welding, and electrical and automation upgrade services. In addition, it offers automation services, including operational technology, industrial automation, networking and OT cybersecurity, electrical engineering and control system design, control system and telemetry upgrade, machine learning and statistical/physical process modelling, machinery functional safety design and auditing, asset and inventory management, energy management and automated meter reading system, plant commissioning, process optimization, preventative maintenance, and data center monitoring solutions; provides electrical panel manufacturing, testing, and installation services; and instrumentation selection, installation, and calibration services. Saunders International Limited was founded in 1951 and is headquartered in Rhodes, Australia.</p>
<p>Service Stream Ltd (ASX:SSM)</p>	<p>Service Stream Limited designs, constructs, operates and maintains infrastructure networks in Australia. It operates through Telecommunications, Utilities, and Transport segments. The Telecommunications segment provides various operations, maintenance, installation, design, and construction services to owners of fixed-line and wireless telecommunication networks, including customer connections; service and network assurance; site acquisition; and design, construction, engineering, and installation of broadband, wireless, and fixed-line project services, as well as projects for asset remediation, augmentation, and relocation. The Utilities segment offers operations, maintenance, design, and construction services, as well as range of specialist metering, new energy, and inspection services to gas, water, and electricity network owners and other customers. Its services include asset upgrades and replacement; design, engineering, and construction services for network assets and energy-related products; and meter reading and network assurance, as well as specialist inspection, auditing, and compliance services. The Transport segment provides operational support and maintenance services to public and private road, and tunnel asset owners. Its services comprising road network maintenance, control room operations, minor civil construction services, and installation and operation of intelligent transport systems. The company was incorporated in 1996 and is headquartered in Melbourne, Australia.</p>
<p>SRG Global Ltd (ASX:SRG)</p>	<p>SRG Global Limited provides engineering-led specialist asset maintenance, mining services, and engineering and construction services in Australia and internationally. The company operates through Asset Maintenance; Mining Services; and Engineering and Construction segments. The Asset Maintenance segment supplies integrated services to customers in various sectors, including oil and gas, energy, infrastructure, offshore, mining, power generation, water treatment plants, commissioning, decommissioning, shutdowns, and civil works. The Mining Services segment offers ground solutions, including production drilling, ground and slope stabilization, and blasting services. The Engineering and Construction segment supplies integrated products and services to customers involved in the construction of infrastructure, which includes bridges, dams, office towers, high rise apartments, shopping centers, hotels, car parks, recreational buildings, and hospitals. In addition, it offers architectural and façade, reinforcing, structural, post-tensioning, and ground support products. It serves mining and resources, industrial processing, energy, roads and bridges, renewable energy, water infrastructure, building, and defence sectors. The company was formerly known as Structural Systems Limited and changed its name to SRG Global Limited in November 2014. SRG Global Limited was founded in 1961 and is headquartered in Subiaco, Australia.</p>
<p>Ventia Services Group Ltd (ASX:VNT)</p>	<p>Ventia Services Group Limited provides infrastructure services in Australia and New Zealand. It offers asset management services, such as asset condition analysis, strategy and planning, risk optimization, and systems and documentation; and digital solutions,</p>



Company	Business description
	<p>including data science and analytics, neural network image processing, panorama property portal, drone solutions, real-time reporting portal, remote electronic verification systems, work management systems, vianet solutions, automatic meter readings, Venetia operations centre, remote site communications, vianet solutions, and telecommunication system integration services. The company also provides engineering services comprising motorway, tunnel and road network, and electricity and gas maintenance services; design and drafting; and project services. In addition, it offers environmental services and energy consisting of sewer, water, air, surface water, petroleum, and waste monitoring services; environmental and land management, community engagement, remediation, PFAS remediation, contaminated soil, flood warning systems, and bushfire management systems and plans; and facilities management services, such as integrated, soft, and hard facility management, and clothing services. Further, the company provides network design and building services, such as telecommunications network design and building, site acquisition, and telecommunication system integration; operations and maintenance services, including fleet management, operations control management, energy, resources, and industrial services, network operations and maintenance, and electricity and gas maintenance; incident response and recovery; high voltage technical services; property and consulting services; and minor capital works consisting of design, documentation, commissioning, and construction of new assets, as well as renewal and refurbishment of existing assets. The company was founded in 1956 and is headquartered in North Sydney, Australia.</p>
<p>Black Diamond Group Limited (TSX:BDI)</p>	<p>Black Diamond Group Limited rents and sells modular space and workforce accommodation solutions. It operates through two segments, Modular Space Solutions and Workforce Solutions. The Modular Space Solutions segment provides modular space rentals to customers in the construction, real estate development, education, manufacturing, health care, financial, government, and defense industries in North America. Its products include office units, lavatories, storage units, large multi-unit office complexes, classroom facilities, banking and health care facilities, high security modular buildings, custom manufactured modular facilities, blast resistant structures, SmartSpace interchangeable paneled units, and storage containers. This segment also sells new and used space rentals units; and provides delivery, installation, project management, and ancillary rental items, products, and services. The Workforce Solutions segment provides workforce housing solutions, including rental of accommodations and surface equipment, and provision of turnkey lodging and travel management logistics services in Canada, the United States, and Australia. This segment also provides associated services, such as installation, transportation, dismantlement, and sale of used fleet assets. This segment primarily serves the resource, infrastructure, construction, disaster recovery, and education sectors. It also provides specialized field rentals to oil and gas industries. The company markets its rental assets, custom sales, and ancillary products and services through in-house sales personnel, its website, social media, web campaigns, and its digital marketplace. Black Diamond Group Limited was founded in 2003 and is headquartered in Calgary, Canada.</p>
<p>Civeo Corporation (NYSE:CVEO)</p>	<p>Civeo Corporation provides hospitality services to the natural resource industry in Canada, Australia, and the United States. The company develops lodges and villages; and mobile assets, including modular, skid-mounted accommodation, and central facilities that provide short to medium-term accommodation needs. It offers food, housekeeping, and maintenance services, as well as laundry, facility management and maintenance, water and wastewater treatment, power generation, communication systems, security, and logistics services, and camp management services. In addition, the company provides development activities for workforce accommodation facilities, including site selection, permitting, engineering and design, manufacturing management, and site construction services, as well as lodging and catering services. It serves oil, mining, engineering, and oilfield and mining service companies. Civeo Corporation was founded in 1977 and is headquartered in Houston, Texas.</p>
<p>Target Hospitality Corp. (NasdaqCM:TH)</p>	<p>Target Hospitality Corp. operates as a specialty rental and hospitality services company in North America. The company operates through two segments, Hospitality &amp; Facilities Services - South and Government. It owns a network of specialty rental accommodation units. In addition, the company provides catering and food, maintenance, housekeeping,</p>

Company	Business description
	grounds-keeping, security, health and recreation facilities, workforce community management, concierge, and laundry services. It serves the U.S. government contractors and investment grade natural resource development companies. Target Hospitality Corp. was founded in 1978 and is headquartered in The Woodlands, Texas.

*Source: S&P Capital IQ*



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**ANNEXURE B – ORDINARY SCHEME OF ARRANGEMENT**

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**DECMIL GROUP LIMITED  
ACN 111 210 390**

**AND**

**ORDINARY SCHEME SHAREHOLDERS**

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**SCHEME OF ARRANGEMENT – ORDINARY SCHEME**

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**BETWEEN**

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<b>DCG</b>	Name	Decmil Group Limited
	ACN	111 210 390
	Address	20 Parkland Road, Osborne Park Western Australia 6017
	Email	andrew@andrewbarclay.com.au
	Attention	Andrew Barclay
<b>Ordinary Scheme Shareholders</b>	Each holder of DCG Shares (other than Excluded Shareholders) recorded in the DCG Share Register as at the Record Date.	

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**RECITALS**

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- A.** DCG is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- B.** MAH is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- C.** DCG and MAH have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, DCG has agreed to propose the Ordinary Scheme to Ordinary Scheme Shareholders, and each of DCG and MAH have agreed to take certain steps to give effect to the Ordinary Scheme.
- D.** If this Ordinary Scheme becomes Effective, then:
  - (a) all the Ordinary Scheme Shares will be transferred to MAH and the Ordinary Scheme Consideration will be provided to the Ordinary Scheme Shareholders in accordance with the terms of the Ordinary Scheme; and
  - (b) DCG will enter the name and address of MAH in the DCG Share Register as the holder of the Ordinary Scheme Shares.

**OPERATIVE PROVISIONS**

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**1. DEFINITIONS AND INTERPRETATION**

**1.2 Definitions**

In this Ordinary Scheme:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**ASX Settlement** means ASX Settlement Pty Limited (ABN 008 504 532).

**Business Day** means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

**CGT Withholding Law** means the foreign resident capital gains tax withholding law in Subdivision 14-D of Schedule 1 of the TAA.

**CHES** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement. **Commissioner** has the meaning given to it in the TAA.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing between MAH and DCG.

**DCG** means Decmil Group Limited (ACN 111 210 390).

**DCG Option** means an option to acquire one DCG Share.

**DCG Performance Right** means an entitlement granted by DCG for the holder to be allocated a DCG Share subject to the satisfaction of any applicable vesting conditions.

**DCG RCPS** means a redeemable convertible preference share in the capital of DCG that is quoted on the ASX under the code ASX:DCGPA.

**DCG Registry** means Computershare Investor Services Pty Ltd (ACN 078 279 277).

**DCG Share** means a fully paid ordinary share of DCG.

**DCG Shareholder** means each person who is registered as the holder of a DCG Share.

**DCG Share Register** means the register of holders of DCG Shares maintained in accordance with the Corporations Act.

**DCG Warrants** means the warrants granted by DCG exercisable into an aggregate of 50,769,231 DCG Shares.

**Effective** means, when used in relation to the Ordinary Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411 (4)(b) of the Corporations Act in relation to the Ordinary Scheme.

**Effective Date** means the date on which the Ordinary Scheme becomes Effective.

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, "security interest" as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

**End Date** has the meaning given in the Scheme Implementation Deed.

**Excluded RCPS Holder** means any DCG RCPS Holder who is a member of the MAH Group or any DCG RCPS Holder who holds any DCG RCPS on behalf of or for the benefit of, any member of the MAH Group.

**Excluded Shareholder** means any DCG Shareholder who is a member of the MAH Group or any DCG Shareholder who holds any DCG Shares on behalf of or for the benefit of, any member of the MAH Group.

**Government Agency** means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).

**Implementation Date** means the fifth Business Day following the Record Date.

**MAH** means Macmahon Holdings Limited (ACN 007 634 406).

**MAH Group** means MAH and each of its subsidiaries, and a reference to a 'member of the MAH Group' is to MAH or any of its subsidiaries.

**Ordinary Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the Ordinary Scheme Shareholders, under which all of the Ordinary Scheme Shares will be transferred to MAH and the Ordinary Scheme Shareholders will be entitled to receive the Ordinary Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**Ordinary Scheme Consideration** means \$0.30 per Ordinary Scheme Share to be provided pursuant to clause 5 of this document.

**Ordinary Scheme Deed Poll** means the deed poll executed by MAH in favour of Ordinary Scheme Shareholders, under which MAH covenants in favour of each Ordinary Scheme Shareholder to perform its obligations under this Ordinary Scheme.

**Ordinary Scheme Meeting** means the meeting of DCG Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

**Ordinary Scheme Order** means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in respect of the Ordinary Scheme.

**Ordinary Scheme Share** means an DCG Share held by an Ordinary Scheme Shareholder at 5:00pm on the Record Date.

**Ordinary Scheme Shareholder** means a holder of DCG Shares (other than an Excluded Shareholder) recorded in the DCG Share Register as at the Record Date.

**Ordinary Scheme Transfer** means for each Ordinary Scheme Shareholder, a duly completed and executed proper instrument of transfer of the Ordinary Scheme Shares held by that Ordinary Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all Ordinary Scheme Shares.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**RCPS Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the RCPS Scheme Shareholders under which RCPS Scheme Shareholders will receive the RCPS Scheme Consideration, in the form attached as Annexure D to the Scheme Implementation Deed, or in such other form as the parties may agree in writing, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**RCPS Scheme Consideration** means the aggregate of:

- (a) \$0.335 per RCPS Scheme Share; and
- (b) an amount equal to \$0.008 per RCPS Scheme Share (in compensation for dividends that would otherwise have been earned by each DCG RCPS Holder).

**RCPS Scheme Deed Poll** means the deed poll executed by MAH in favour of RCPS Scheme Shareholders, under which MAH covenants in favour of each RCPS Scheme Shareholder to perform its obligations under the RCPS Scheme.

**RCPS Scheme Share** means a DCG RCPS held by a RCPS Scheme Shareholder at 5:00pm on the Record Date.

**RCPS Scheme Shareholder** means a holder of DCG RCPS (other than Excluded RCPS Holders) recorded in the DCG RCPS Register as at the Record Date.

**Record Date** means 5:00pm on the fourth Business Day after the Effective Date.

**Registered Address** means the address of the Ordinary Scheme Shareholder shown in the DCG Share Register.

**Scheme Implementation Deed** means the scheme implementation deed between DCG and MAH dated 15 April 2024.

**Second Court Date** means the day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the approving the Schemes (as the context requires) is heard and approved by the Court.

**TAA** means *the Taxation Administration Act 1953 (Cth)*.

**Valid Variation Notice** means a notice of variation granted by the Commissioner under subsection 14-235(2) of Schedule 1 to the TAA.

**Withholding Amount** means the amount MAH is required to pay to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in respect of the acquisition of any Ordinary Scheme Share or RCPS Scheme Share from an Ordinary Scheme Shareholder or an RCPS Scheme Shareholder (as applicable).

**Withholding Declaration** means a declaration under section 14-225 of Schedule 1 to the TAA in respect of the acquisition of any Ordinary Scheme Share or RCPS Scheme Share from an Ordinary Scheme Shareholder or an RCPS Scheme Shareholder (as applicable).

### 1.3 Interpretation

- (a) Unless the contrary intention appears, a reference in this Ordinary Scheme to:
  - (i) this Ordinary Scheme or another document includes any variation or replacement of it despite any change in the identity of the parties;
  - (ii) one gender includes the others;
  - (iii) the singular includes the plural and the plural includes the singular;



- (iv) a person, includes an individual, the estate of an individual, a partnership, a corporation, a trust, an association, a joint venture, an unincorporated body and any Government Agency;
  - (v) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this Ordinary Scheme and a reference to this Ordinary Scheme includes any schedule or attachment;
  - (vi) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
  - (vii) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re- enactments or replacements of any of them;
  - (viii) money is to Australian dollars, unless otherwise stated; and
  - (ix) a time is a reference to Perth time unless otherwise specified.
- (b) The words 'include', 'including', 'such as', 'for example' and similar expressions are not to be construed as words of limitation.
  - (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
  - (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this Ordinary Scheme.
  - (e) A provision of this Ordinary Scheme must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this Ordinary Scheme or the inclusion of the provision in this Ordinary Scheme.

#### **1.4 Business Days**

- (a) If anything under this Ordinary Scheme must be done on a day that is not a Business Day, it must be done instead on or by the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5:00pm on that day or it will be considered to have been done on the following day.

#### **1.5 Parties**

- (a) If a party consists of more than one person, this Ordinary Scheme binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

---

## **2. PRELIMINARY**

### **2.1 DCG**

- (a) DCG is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) DCG was incorporated in Western Australia on 1 October 2004 and has its registered office at 20 Parkland Road, Osborne Park WA 6017.
- (c) As at the date of the Scheme Implementation Deed, DCG had the following securities on issue:
  - (i) 155,586,158 DCG Shares;
  - (ii) 131,342,687 DCG RCPS;
  - (iii) 4,593,238 DCG Options;
  - (iv) 38,853,299 DCG Performance Rights; and
  - (v) four DCG Warrants.

### **2.2 MAH**

- (a) MAH is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) MAH was incorporated in South Australia on 5 August 1963 and has its registered office at 15 Hudswell Road, Perth Airport WA 6105.

### **2.3 Scheme Implementation Deed**

MAH and DCG have agreed, by executing the Scheme Implementation Deed, to implement the terms of the Ordinary Scheme and to perform their respective obligations under the Ordinary Scheme.

### **2.4 Ordinary Scheme Deed Poll**

This Ordinary Scheme attributes actions to MAH but does not itself impose an obligation on MAH to perform those actions. MAH has executed the Ordinary Scheme Deed Poll in favour of Ordinary Scheme Shareholders pursuant to which MAH has covenanted to perform its obligations under the Ordinary Scheme, including to provide to each Ordinary Scheme Shareholder the Ordinary Scheme Consideration to which the Ordinary Scheme Shareholder is entitled under the Ordinary Scheme.

### **2.5 Effect of the Ordinary Scheme**

If the Ordinary Scheme becomes Effective:

- (a) MAH will provide, and DCG will procure that MAH provides, the Ordinary Scheme Consideration to each Ordinary Scheme Shareholder in accordance with the terms of this Ordinary Scheme;
- (b) subject to MAH's compliance with its obligations in clause 2.5(a), all of the Ordinary Scheme Shares will be transferred to MAH in accordance with clause 4.2; and

- (c) DCG will enter the name and address of MAH in the DCG Share Register as the holder of the Ordinary Scheme Shares transferred to MAH in accordance with the terms of the Ordinary Scheme.

---

### **3. CONDITIONS**

#### **3.1 Conditions of the Ordinary Scheme**

The Ordinary Scheme is conditional on, and will not come into effect unless and until, each of the following conditions is satisfied:

- (a) all of the conditions precedent in clause 2.1 of the Scheme Implementation Deed (other than the conditions precedent to the Court having approved:
- (i) the Ordinary Scheme in accordance with section 411(4)(b) of the Corporations Act set out in clause 2.1(j) of the Scheme Implementation Deed; and
  - (ii) the RCPS Scheme in accordance with section 411(4)(b) of the Corporations Act set out in clause 2.1(k) of the Scheme Implementation Deed),

having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8:00am on the Second Court Date;

- (b) none of the Scheme Implementation Deed, the Ordinary Scheme Deed Poll or the RCPS Scheme Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) the Court having approved each of this Ordinary Scheme and the RCPS Scheme pursuant to section 411(4)(b) of the Corporations Act, and any conditions imposed by the Court under section 411(6) of the Corporations Act on either of this Ordinary Scheme and the RCPS Scheme are acceptable to both DCG and MAH (acting reasonably); and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to each of this Ordinary Scheme and the RCPS Scheme.

#### **3.2 Effect of conditions**

The fulfilment of the conditions in clause 3.1 is a condition precedent to the operation of the provisions of clauses 2.5, 4, 5, 6 and 7 of this Ordinary Scheme.

#### **3.3 Certificate**

DCG must provide, and must procure MAH to provide, to the Court on the Second Court Date a certificate signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in clauses 3.1(a) to 3.1(c) (inclusive) have been satisfied or waived (subject to the terms of the Scheme Implementation Deed) as at 8:00am on the Second Court Date.

### **3.4 Conclusive evidence**

The giving of a certificate by each of DCG and MAH in accordance with clause 3.3 will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

### **3.5 Termination**

Without limiting any rights under the Scheme Implementation Deed, if any of the Scheme Implementation Deed, the Ordinary Scheme Deed Poll or the RCPS Scheme Deed Poll is terminated in accordance with its respective terms before 8:00am on the Second Court Date, DCG and MAH are each released from:

- (a) any further obligation to take steps to implement the Ordinary Scheme; and
- (b) any liability with respect to the Ordinary Scheme,

provided that DCG and MAH retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Deed.

### **3.6 Effective Date**

Subject to clause 3.7, the Ordinary Scheme will take effect on and from the Effective Date.

### **3.7 End Date**

Without limiting any rights under the Scheme Implementation Deed, the Ordinary Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date, or any later date the Court, with the consent of DCG and MAH may order.

---

## **4. ORDINARY SHARE SCHEME**

### **4.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(d) of this Ordinary Scheme) have been satisfied or waived, DCG will, as soon as possible after the Ordinary Scheme Order is made, and in any event by 12.00pm on the first Business Day after the date which the Ordinary Scheme Order is made or such later date as by DCG and MAH may agree in writing, lodge with ASIC an office copy of the Ordinary Scheme Order in accordance with section 411(10) of the Corporations Act.

### **4.2 Transfer of Ordinary Scheme Shares**

On the Implementation Date, in consideration of and subject to the provision by MAH of the Ordinary Scheme Consideration in accordance with clause 5 of this Ordinary Scheme, the Ordinary Scheme Shares, together with all rights and entitlements attaching to the Ordinary Scheme Shares as at the Implementation Date, will be transferred to MAH without the need for any further acts by any Ordinary Scheme Shareholder (other than acts performed by DCG as attorney and agent for Ordinary Scheme Shareholders under clause 6.1) by:

- (a) DCG delivering to MAH a duly completed and executed Ordinary Scheme Transfer for all of the Ordinary Scheme Shares, executed by DCG on behalf of the Ordinary Scheme Shareholders; and

- (b) MAH duly executing the Ordinary Scheme Transfer and delivering it to DCG for registration.

#### **4.3 Transfer documentation**

As soon as practicable after receipt by DCG of the Ordinary Scheme Transfer duly executed by MAH as transferee pursuant to clause 4.2(b), and in any event within 2 Business Days after such receipt, DCG must enter, or procure the entry of, the name of MAH in the DCG Share Register in respect of all of the Ordinary Scheme Shares transferred to MAH in accordance with the terms of this Ordinary Scheme.

#### **4.4 Entitlement to Ordinary Scheme Consideration**

On the Implementation Date, in consideration for the transfer to MAH of the Ordinary Scheme Shares, each Ordinary Scheme Shareholder will be entitled to receive the Ordinary Scheme Consideration in respect of each of their Ordinary Scheme Shares in accordance with, and subject to the terms of this Ordinary Scheme and the Ordinary Scheme Deed Poll.

#### **4.5 Beneficial entitlement by MAH**

Subject to the provision of the Ordinary Scheme Consideration to Ordinary Scheme Shareholders in accordance with clause 5, on and from the Implementation Date, MAH will be beneficially entitled to the Ordinary Scheme Shares (together with all rights and entitlements attached to the Ordinary Scheme Shares) transferred to it under the Ordinary Scheme, pending registration by DCG of MAH in the DCG Share Register as the holder of the Ordinary Scheme Shares.

#### **4.6 Transfer free from Encumbrances**

To the extent permitted by law, all Ordinary Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to MAH under this Ordinary Scheme will, at the date of the transfer of them to MAH, vest in MAH free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Ordinary Scheme.

#### **4.7 Enforcement of Ordinary Scheme Deed Poll**

DCG undertakes in favour of each Ordinary Scheme Shareholder to enforce the Ordinary Scheme Deed Poll against MAH on behalf of and as agent and attorney for the Ordinary Scheme Shareholders.

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### **5. ORDINARY SHARE SCHEME CONSIDERATION**

#### **5.1 Provision of Ordinary Scheme Consideration**

- (a) MAH must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the Ordinary Scheme Consideration payable to all Ordinary Scheme Shareholders, into an Australian dollar denominated trust account with an ADI operated by DCG as trustee for the Ordinary Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to MAH's account).

- (b) On the Implementation Date, subject to receipt of the Ordinary Scheme Consideration from MAH in accordance with clause 5.1(a), DCG must pay or procure the payment of the Ordinary Scheme Consideration to each Ordinary Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of DCG under clause 5.1(b) will be satisfied by DCG (in its absolute discretion, and despite any election referred to in clause 5.1(c)(i) or authority referred to in clause 5.1(c)(ii) made or given by the Ordinary Scheme Shareholder):
  - (i) if an Ordinary Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the DCG Registry to receive dividend payments from DCG by electronic funds transfer to a bank account nominated by the Ordinary Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the Ordinary Scheme Shareholder by an appropriate authority from the Ordinary Scheme Shareholder to DCG; or
  - (iii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ordinary Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the Ordinary Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of DCG's obligations under clause 5.1(b), there is a surplus in the amount held by DCG as trustee for the Ordinary Scheme Shareholders in the trust account referred to in clause 5.1(a), that surplus must be paid by DCG to MAH.

## **5.2 Joint holders**

In the case of Ordinary Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the Ordinary Scheme Consideration is payable to the joint holders and any cheque required to be sent under this Ordinary Scheme will be made payable to the joint holders and sent to either, at the sole discretion of DCG, the holder whose name appears first in the DCG Share Register on the Record Date or to the joint holders; and
- (b) any other document required to be sent under this Ordinary Scheme, will be forwarded to either, at the sole discretion of DCG, the holder whose name appears first in the DCG Share Register on the Record Date or to the joint holders.

## **5.3 Unclaimed monies**

- (a) DCG may cancel a cheque issued under this clause 5 if the cheque:
  - (i) is returned to DCG; or

- (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.
- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from an Ordinary Scheme Shareholder to DCG (or the DCG Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), DCG must reissue a cheque that was previously cancelled under this clause 5.3.
- (c) The *Unclaimed Money Act 1990 (WA)* will apply in relation to any Ordinary Scheme Consideration which becomes 'unclaimed money' (as defined in section 6 of the *Unclaimed Money Act 1990 (WA)*).
- (d) Any interest or other benefit accruing from the unclaimed Ordinary Scheme Consideration will be to the benefit of MAH.

#### **5.4 Orders of a court or Government Agency**

If written notice is given to DCG (or the DCG Registry) or MAH of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of Ordinary Scheme Shares held by a particular Ordinary Scheme Shareholder, which would otherwise be payable or required to be issued to that Ordinary Scheme Shareholder by DCG in accordance with this clause 5, then DCG shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents DCG from providing consideration to any particular Ordinary Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, DCG shall be entitled to retain an amount, in Australian dollars, equal to the number of Ordinary Scheme Shares held by that Ordinary Scheme Shareholder multiplied by the Ordinary Scheme Consideration until such time as the provision of the Ordinary Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

#### **5.5 Withholding**

- (a) If MAH determines (acting reasonably) that it must pay an amount to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in relation to the acquisition of any Ordinary Scheme Shares from an Ordinary Scheme Shareholder, MAH must:
  - (i) determine the Withholding Amount to be paid to the Commissioner in respect of the acquisition of the Ordinary Scheme Shares from such Ordinary Scheme Shareholder;
  - (ii) instruct DCG to deduct, and DCG must deduct the Withholding Amount from the Ordinary Scheme Consideration payable to such Ordinary Scheme Shareholder, and return all such Withholding Amounts to MAH;
  - (iii) pay the Withholding Amounts to the Commissioner within the timeframe required under the TAA; and

- (iv) if requested in writing by the relevant Ordinary Scheme Shareholder, provide a receipt or other appropriate evidence of payment of the Withholding Amount to the Commissioner (or procure the provision of such receipt or other evidence) to the relevant Ordinary Scheme Shareholder.
- (b) The aggregate sum payable to relevant Ordinary Scheme Shareholders is not to be increased to reflect deduction of Withholding Amounts and the net aggregate sum payable to those Ordinary Scheme Shareholders is to be taken to be full and final satisfaction of MAH's obligation to pay the Ordinary Scheme Consideration to those Ordinary Scheme Shareholders.
- (c) MAH and DCG must:
  - (i) consult in good faith as to the application of the CGT Withholding Law to the Ordinary Scheme; and
  - (ii) use reasonable endeavours to take all actions that are necessary or desirable in relation to the CGT Withholding Law, which may include, without limitation, promptly communicating with any Ordinary Scheme Shareholder to obtain a Valid Variation Notice or Withholding Declaration contemplated by the CGT Withholding Law so as to reduce or eliminate the Withholding Amount payable to the Commissioner in respect of any Ordinary Scheme Shareholder.

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## **6. ORDINARY SCHEME SHAREHOLDERS**

### **6.1 Authority given to DCG**

Each Ordinary Scheme Shareholder, without the need for any further act, irrevocably appoints DCG and each of its directors and officers (jointly and severally) as its attorney and agent:

- (a) to do and execute all acts, matters, things and documents on the part of each Ordinary Scheme Shareholder necessary to implement and give full effect to this Ordinary Scheme and the transactions contemplated by it, including executing the Ordinary Scheme Transfer and giving of the Ordinary Scheme Shareholder's consent; and
- (b) enforcing the Ordinary Scheme Deed Poll against MAH,

and DCG accepts such appointment.

### **6.2 Appointment of sole proxy**

Subject to the provision of the Ordinary Scheme Consideration to each Ordinary Scheme Shareholder in the manner contemplated by clauses 4.2 and 5.1, on and from the Implementation Date and until MAH is registered as the holder of all Ordinary Scheme Shares in the DCG Share Register, each Ordinary Scheme Shareholder:

- (a) irrevocably appoints MAH as attorney and agent (and directs MAH in such capacity) to appoint any director, officer, secretary or agent nominated by MAH as its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to the Ordinary Scheme Shares registered in their name and sign any shareholders' resolution or document;



- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 6.2(a));
- (c) must take all other actions in the capacity of a registered holder of Ordinary Scheme Shares as MAH reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 6.2(a), MAH and any director, officer, secretary or agent nominated by MAH under clause 6.2(a) may act in the best interests of MAH as the intended registered holder of the Ordinary Scheme Shares.

### **6.3 Ordinary Scheme Shareholder's consent**

Each Ordinary Scheme Shareholder irrevocably:

- (a) agrees to the transfer of their Ordinary Scheme Shares, together with all rights and entitlements attaching to those Ordinary Scheme Shares to MAH, in accordance with the Ordinary Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their Ordinary Scheme Shares constituted by or resulting from this Ordinary Scheme;
- (c) agrees to, on the direction of MAH, destroy any holding statements or share certificates relating to their Ordinary Scheme Shares;
- (d) agrees and acknowledges that the receipt of the Ordinary Scheme Consideration constitutes satisfaction of all its entitlements under this Ordinary Scheme;
- (e) acknowledges and agrees that this Ordinary Scheme binds DCG and all Ordinary Scheme Shareholders (including those who do not attend the Ordinary Scheme Meeting and those who do not vote, or vote against this Ordinary Scheme, at the Ordinary Scheme Meeting);
- (f) appoints DCG, and each director and officer of DCG, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices; and
- (g) consents to DCG and MAH doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the Ordinary Scheme and DCG, as agent of each Ordinary Scheme Shareholder, may sub-delegate its functions under this clause 6.3 to any of its directors and officers, severally.

### **6.4 Warranties by Ordinary Scheme Shareholders**

Each Ordinary Scheme Shareholder is deemed to have warranted to DCG, and appointed and authorised DCG as its attorney and agent to warrant to MAH that:

- (a) all of their Ordinary Scheme Shares (including any rights and entitlements attaching to those shares as at the Implementation Date) which are transferred to MAH under the Ordinary Scheme will, as at the date of transfer, be fully paid and free from Encumbrances or other interests of third parties of any kind, whether legal or otherwise and from all other restrictions on transfer; and

- (b) they have full power and capacity to sell and transfer their Ordinary Scheme Shares (including all rights and entitlements attaching to their Ordinary Scheme Shares as at the Implementation Date) to MAH.

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## **7. DEALINGS IN ORDINARY SCHEME SHARES**

### **7.1 Determination of Ordinary Scheme Shareholders**

- (a) For the purpose of establishing the persons who are Ordinary Scheme Shareholders, dealings in Ordinary Scheme Shares will only be recognised if:
  - (i) in the case of dealings of the type to be effected using CHES, the transferee is registered in the DCG Share Register as the holder of the relevant Ordinary Scheme Shares on or before the Record Date; and
  - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the DCG Share Register is kept.
- (b) DCG must register registrable transmission applications or transfers of the kind referred to in clause 7.1 (a)(ii) on or before the Record Date.
- (c) DCG will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of Ordinary Scheme Shares received after 5:00pm on the Record Date, other than a transfer to MAH in accordance with the Ordinary Scheme and any subsequent transfer by MAH, or its successors in title.
- (d) If the Ordinary Scheme becomes Effective, a holder of Ordinary Scheme Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any Ordinary Scheme Shares or any interest in them after the Record Date and any such disposal will be void and of no legal effect whatsoever.

### **7.2 Maintenance of DCG Share Register**

- (a) For the purpose of determining entitlements to the Ordinary Scheme Consideration, DCG will, until the Ordinary Scheme Consideration has been provided, maintain the DCG Share Register in accordance with the provisions of this clause 7 and the DCG Share Register in this form will solely determine entitlements to the Ordinary Scheme Consideration.
- (b) All certificates and holding statements for Ordinary Scheme Shares (other than holding statements in favour of MAH and its successors in title after the Implementation Date) will cease to have any effect after the Record Date as documents of title in respect of those Ordinary Scheme Shares, and subject to provision of the Ordinary Scheme Consideration by MAH and registration of the transfer to MAH of the Ordinary Scheme Shares as contemplated by clauses 4.2 and 5.1, each entry current at that date on the DCG Share Register relating to Ordinary Scheme Shares will cease to be of any effect other than as evidence of entitlement to the Ordinary Scheme Consideration in respect of the Ordinary Scheme Shares relating to that entry.

### 7.3 Information to be made available to MAH

DCG will procure that, as soon as reasonably practicable after the Record Date, details of the names, Registered Addresses and holdings of Ordinary Scheme Shares of every Ordinary Scheme Shareholder as shown in the DCG Share Register as at the Record Date are made available to MAH in such form as MAH reasonably requires.

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## 8. QUOTATION OF DCG SHARES

- (a) DCG must apply to ASX to suspend trading on the ASX in DCG Shares with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by MAH, DCG must apply:
  - (i) for termination of the official quotation of DCG Shares on the ASX; and
  - (ii) to have itself removed from the official list of the ASX.

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## 9. NOTICES

### 9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

### 9.2 Communications by post

Subject to clause 9.3, where a Notice referred to in this document is sent by post to DCG, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at DCG's registered office or at the DCG Registry.

### 9.3 After hours communications

If a Notice is given:

- (a) after 5:00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9:00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

### 9.4 Omission to give notice

The accidental omission to give notice of the Ordinary Scheme Meeting or the non-receipt of such notice by any DCG Shareholder will not invalidate the Ordinary Scheme Meeting or the proceedings of the Ordinary Scheme Meeting, unless the Court makes an order to the contrary.

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## **10. GENERAL**

### **10.1 No liability when acting in good faith**

Without prejudice to either party's rights under the Scheme Implementation Deed, neither MAH nor DCG nor any director, officer, secretary or employee of any of those companies will be liable for anything done or omitted to be done in the performance of this Ordinary Scheme or the Ordinary Scheme Deed Poll when the relevant entity or person has acted in good faith.

### **10.2 DCG and Ordinary Scheme Shareholders bound**

The Ordinary Scheme binds DCG and all Ordinary Scheme Shareholders (including Ordinary Scheme Shareholders who do not attend the Ordinary Scheme Meeting, do not vote at that meeting or vote against the Ordinary Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of DCG.

### **10.3 Further assurances**

Subject to clause 10.4, DCG will execute all documents and do all acts and things (on its own behalf and on behalf of each Ordinary Scheme Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the Ordinary Scheme and the Ordinary Scheme Shareholders consent to DCG executing all such documents and doing all such acts or things.

### **10.4 Alterations and conditions**

(a) DCG may, with the consent of MAH (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions which the Court thinks fit to impose.

(b) Each Ordinary Scheme Shareholder agrees to any such alterations or conditions which DCG has consented to pursuant to clause 10.4(a).

### **10.5 Costs**

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Deed. For the avoidance of doubt, Ordinary Scheme Shareholders do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

### **10.6 Governing law and jurisdiction**

(a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.

(b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

## **10.7 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address for service of notices or with its process agent.

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**ANNEXURE C – RCPS SCHEME OF ARRANGEMENT**

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**DECMIL GROUP LIMITED  
ACN 111 210 390**

**AND**

**RCPS SCHEME SHAREHOLDERS**

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**SCHEME OF ARRANGEMENT – RCPS SCHEME**

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## BETWEEN

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<b>DCG</b>	Name	Decmil Group Limited
	ACN	111 210 390
	Address	20 Parkland Road, Osborne Park Western Australia 6017
	Email	andrew@andrewbarclay.com.au
	Attention	Andrew Barclay
<b>RCPS Scheme Shareholders</b>	Each holder of DCG RCPS (other than Excluded Shareholders) recorded in the DCG RCPS Register as at the Record Date.	

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## RECITALS

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- A.** DCG is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- B.** MAH is a public company limited by shares incorporated in Australia and admitted to the official list of ASX.
- C.** DCG and MAH have entered into the Scheme Implementation Deed, pursuant to which, amongst other things, DCG has agreed to propose the RCPS Scheme to RCPS Scheme Shareholders, and each of DCG and MAH have agreed to take certain steps to give effect to the RCPS Scheme.
- D.** If this RCPS Scheme becomes Effective, then:
- (a) all the RCPS Scheme Shares will be transferred to MAH and the RCPS Scheme Consideration will be provided to the RCPS Scheme Shareholders in accordance with the terms of the RCPS Scheme; and
  - (b) DCG will enter the name and address of MAH in the DCG RCPS Register as the holder of the RCPS Scheme Shares.

## OPERATIVE PROVISIONS

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### 1. DEFINITIONS AND INTERPRETATION

#### 1.2 Definitions

In this RCPS Scheme:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691).

**ASX Settlement** means ASX Settlement Pty Limited (ABN 008 504 532).

**Business Day** means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

**CGT Withholding Law** means the foreign resident capital gains tax withholding law in Subdivision 14-D of Schedule 1 of the TAA.

**Commissioner** has the meaning given to it in the TAA.

**CHES** means the clearing house electronic sub-register system of share transfers operated by ASX Settlement.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed in writing between MAH and DCG.

**DCG** means Decmil Group Limited (ACN 111 210 390).

**DCG Option** means an option to acquire one DCG Share.

**DCG Performance Right** means an entitlement granted by DCG for the holder to be allocated a DCG Share subject to the satisfaction of any applicable vesting conditions.

**DCG RCPS** means a redeemable convertible preference share in the capital of DCG that is quoted on the ASX under the code ASX:DCGPA.

**DCG RCPS Holder** means each person who is registered as the holder of a DCG RCPS.

**DCG RCPS Register** means the register of DCG RCPS Holders maintained in accordance with the Corporations Act.

**DCG Registry** means Computershare Investor Services Pty Ltd (ACN 078 279 277).

**DCG Share** means a fully paid ordinary share of DCG.

**DCG Shareholder** means each person who is registered as the holder of a DCG Share.

**DCG Share Register** means the register of holders of DCG Shares maintained in accordance with the Corporations Act.

**DCG Warrants** means the warrants granted by DCG exercisable into an aggregate of 50,769,231 DCG Shares.

**Effective** means, when used in relation to the RCPS Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411 (4)(b) of the Corporations Act in relation to the RCPS Scheme.

**Effective Date** means the date on which the RCPS Scheme becomes Effective.

**Encumbrance** means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement, "security interest" as defined in sections 12(1) or 12(2) of the PPSA, right of first refusal, pre-emptive right, any similar restriction, or any agreement to create any of them or allow them to exist.

**End Date** has the meaning given in the Scheme Implementation Deed.

**Excluded RCPS Holder** means any DCG RCPS Holder who is a member of the MAH Group or any DCG RCPS Holder who holds any DCG RCPS on behalf of or for the benefit of, any member of the MAH Group.

**Excluded Shareholder** means any DCG Shareholder who is a member of the MAH Group or any DCG Shareholder who holds any DCG Shares on behalf of or for the benefit of, any member of the MAH Group.

**Government Agency** means any foreign or Australian government or governmental semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any other federal, state, provincial, local or other government (foreign or Australian).

**Implementation Date** has the meaning given in the Scheme Implementation Deed.

**MAH** means Macmahon Holdings Limited (ACN 007 634 406).

**MAH Group** means MAH and each of its subsidiaries, and a reference to a 'member of the MAH Group' is to MAH or any of its subsidiaries.

**Ordinary Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the Ordinary Scheme Shareholders, under which all of the Ordinary Scheme Shares will be transferred to MAH and the Ordinary Scheme Shareholders will be entitled to receive the Ordinary Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**Ordinary Scheme Consideration** means \$0.30 per Ordinary Scheme Share.

**Ordinary Scheme Deed Poll** means the deed poll executed by MAH in favour of Ordinary Scheme Shareholders, under which MAH covenants in favour of each Ordinary Scheme Shareholder to perform its obligations under the Ordinary Scheme.

**Ordinary Scheme Share** means an DCG Share held by an Ordinary Scheme Shareholder at 5:00pm on the Record Date.

**Ordinary Scheme Shareholder** means a holder of DCG Shares (other than an Excluded Shareholder) recorded in the DCG Share Register as at the Record Date.

**PPSA** means the *Personal Property Securities Act 2009* (Cth).

**RCPS Scheme** means this scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the RCPS Scheme Shareholders under which RCPS Scheme Shareholders will receive the RCPS Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**RCPS Scheme Consideration** means the aggregate of:

- (a) \$0.335 per RCPS Scheme Share; and
- (b) an amount equal to \$0.008 per RCPS Scheme Share (in compensation for the dividend that would otherwise have been earned by each DCG RCPS Holder),

to be provided pursuant to clause 5 of this document.

**RCPS Scheme Deed Poll** means the deed poll executed by MAH in favour of RCPS Scheme Shareholders, under which MAH covenants in favour of each RCPS Scheme Shareholder to perform its obligations under this RCPS Scheme.

**RCPS Scheme Meeting** means the meeting of DCG RCPS Holders (other than Excluded RCPS Holders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

**RCPS Scheme Order** means the order of the Court made for the purposes of section 411(4)(b) of the Corporations Act in respect of the RCPS Scheme.

**RCPS Scheme Share** means a DCG RCPS held by a RCPS Scheme Shareholder at 5:00pm on the Record Date.

**RCPS Scheme Shareholder** means a holder of DCG RCPS (other than Excluded RCPS Holders) recorded in the DCG RCPS Register as at the Record Date.

**RCPS Scheme Transfer** means for each RCPS Scheme Shareholder, a duly completed and executed proper instrument of transfer of the RCPS Scheme Shares held by that RCPS Scheme Shareholder for the purposes of section 1071B of the Corporations Act, which may be a master transfer of all RCPS Scheme Shares.

**Record Date** has the meaning given in the Scheme Implementation Deed.

**Registered Address** means the address of the RCPS Scheme Shareholder shown in the DCG RCPS Register.

**Scheme Implementation Deed** means the scheme implementation deed between DCG and MAH dated 15 April 2024.

**Second Court Date** means the day on which an application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the approving the Schemes (as the context requires) is heard and approved by the Court.

**TAA** means *the Taxation Administration Act 1953* (Cth).

**Valid Variation Notice** means a notice of variation granted by the Commissioner under subsection 14-235(2) of Schedule 1 to the TAA.

**Withholding Amount** means the amount MAH is required to pay to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in respect of the acquisition of any Ordinary Scheme Share or RCPS Scheme Share from an Ordinary Scheme Shareholder or an RCPS Scheme Shareholder (as applicable).

**Withholding Declaration** means a declaration under section 14-225 of Schedule 1 to the TAA in respect of the acquisition of any Ordinary Scheme Share or RCPS Scheme Share from an Ordinary Scheme Shareholder or an RCPS Scheme Shareholder (as applicable).

### 1.3 Interpretation

- (a) Unless the contrary intention appears, a reference in this RCPS Scheme to:
  - (i) this RCPS Scheme or another document includes any variation or replacement of it despite any change in the identity of the parties;

- (ii) one gender includes the others;
  - (iii) the singular includes the plural and the plural includes the singular;
  - (iv) a person, includes an individual, the estate of an individual, a partnership, a corporation, a trust, an association, a joint venture, an unincorporated body and any Government Agency;
  - (v) an item, recital, clause, subclause, paragraph, schedule or attachment is to an item, recital, clause, subclause, paragraph of, or schedule or attachment to, this RCPS Scheme and a reference to this RCPS Scheme includes any schedule or attachment;
  - (vi) a party includes the party's executors, administrators, successors, substitutes (including a person who becomes a party by novation) and permitted assigns;
  - (vii) any statute, ordinance, code or other law includes regulations and other instruments under any of them and consolidations, amendments, re-enactments or replacements of any of them;
  - (viii) money is to Australian dollars, unless otherwise stated; and
  - (ix) a time is a reference to Perth time unless otherwise specified.
- (b) The words 'include', 'including', 'such as', 'for example' and similar expressions are not to be construed as words of limitation.
  - (c) Where a word or expression is given a particular meaning, other parts of speech and grammatical forms of that word or expression have a corresponding meaning.
  - (d) Headings and any table of contents or index are for convenience only and do not affect the interpretation of this RCPS Scheme.
  - (e) A provision of this RCPS Scheme must not be construed to the disadvantage of a party merely because that party or its advisers were responsible for the preparation of this RCPS Scheme or the inclusion of the provision in this RCPS Scheme.

#### **1.4 Business Days**

- (a) If anything under this RCPS Scheme must be done on a day that is not a Business Day, it must be done instead on or by the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5:00pm on that day or it will be considered to have been done on the following day.

#### **1.5 Parties**

- (a) If a party consists of more than one person, this RCPS Scheme binds each of them separately and any two or more of them jointly.
- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.

- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

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## **2. PRELIMINARY**

### **2.1 DCG**

- (a) DCG is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) DCG was incorporated in Western Australia on 1 October 2004 and has its registered office at 20 Parkland Road, Osborne Park WA 6017.
- (c) As at the date of the Scheme Implementation Deed, DCG had the following securities on issue:
  - (i) 155,586,158 DCG Shares;
  - (ii) 131,342,687 DCG RCPS;
  - (iii) 4,593,238 DCG Options;
  - (iv) 38,853,299 DCG Performance Rights; and
  - (v) four DCG Warrants.

### **2.2 MAH**

- (a) MAH is a public company limited by shares under section 112(1) of the Corporations Act.
- (b) MAH was incorporated in South Australia on 5 August 1963 and has its registered office at 15 Hudswell Road, Perth Airport WA 6105.

### **2.3 Scheme Implementation Deed**

MAH and DCG have agreed, by executing the Scheme Implementation Deed, to implement the terms of the RCPS Scheme and to perform their respective obligations under the RCPS Scheme.

### **2.4 RCPS Scheme Deed Poll**

This RCPS Scheme attributes actions to MAH but does not itself impose an obligation on MAH to perform those actions. MAH has executed the RCPS Scheme Deed Poll in favour of RCPS Scheme Shareholders pursuant to which MAH has covenanted to perform its obligations under the RCPS Scheme, including to provide to each RCPS Scheme Shareholder the RCPS Scheme Consideration to which the RCPS Scheme Shareholder is entitled under the RCPS Scheme.

### **2.5 Effect of the RCPS Scheme**

If the RCPS Scheme becomes Effective:

- (a) MAH will provide, and DCG will procure the MAH provides, the RCPS Scheme Consideration to each RCPS Scheme Shareholder in accordance with the terms of this RCPS Scheme;

- (b) subject to MAH's compliance with its obligations in clause 2.5(a), all of the RCPS Scheme Shares will be transferred to MAH in accordance with clause 4.2; and
- (c) DCG will enter the name and address of MAH in the DCG RCPS Register as the holder of the RCPS Scheme Shares transferred to MAH in accordance with the terms of the RCPS Scheme.

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### **3. CONDITIONS**

#### **3.1 Conditions of the RCPS Scheme**

The RCPS Scheme is conditional and will not come into effect unless and until each of the following conditions is satisfied:

- (a) all of the conditions precedent in clause 2.1 of the Scheme Implementation Deed (other than the conditions precedent to the Court having approved:
  - (i) the Ordinary Scheme in accordance with section 411(4)(b) of the Corporations Act set out in clause 2.1(j) of the Scheme Implementation Deed; and
  - (ii) the RCPS Scheme in accordance with section 411(4)(b) of the Corporations Act set out in clause 2.1(k) of the Scheme Implementation Deed),  
  
having been satisfied or waived in accordance with the terms of the Scheme Implementation Deed by 8:00am on the Second Court Date;
- (b) none of the Scheme Implementation Deed, the Ordinary Scheme Deed Poll or the RCPS Scheme Deed Poll having been terminated in accordance with their terms before 8.00am on the Second Court Date;
- (c) the Court having approved each of the Ordinary Scheme and this RCPS Scheme pursuant to section 411(4)(b) of the Corporations Act, and any conditions imposed by the Court under section 411(6) of the Corporations Act on either of the Ordinary Scheme and this RCPS Scheme are acceptable to both DCG and MAH (acting reasonably); and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to each of the Ordinary Scheme and this RCPS Scheme.

#### **3.2 Effect of conditions**

The fulfilment of the conditions in clause 3.1 is a condition precedent to the operation of the provisions of clauses 2.5, 4, 5, 6 and 7 of this RCPS Scheme.

#### **3.3 Certificate**

DCG must provide, and must procure MAH to provide, to the Court on the Second Court Date a certificate signed by at least one of its respective directors (or such other evidence as the Court may request) stating (to the best of its knowledge) whether or not all the conditions precedent in clauses 3.1(a) to 3.1(c) (inclusive) have been satisfied or waived (subject to the terms of the Scheme Implementation Deed) as at 8:00am on the Second Court Date.



### **3.4 Conclusive evidence**

The giving of a certificate by each of DCG and MAH in accordance with clause 3.3 will, in the absence of manifest error, be conclusive evidence of the matters referred to in the certificate.

### **3.5 Termination**

Without limiting any rights under the Scheme Implementation Deed, if any of the Scheme Implementation Deed, the Ordinary Scheme Deed Poll or the RCPS Scheme Deed Poll is terminated in accordance with its respective terms before 8:00am on the Second Court Date, DCG and MAH are each released from:

- (a) any further obligation to take steps to implement the RCPS Scheme; and
- (b) any liability with respect to the RCPS Scheme,

provided that DCG and MAH retain the rights they have against each other in respect of any prior breach of the Scheme Implementation Deed.

### **3.6 Effective Date**

Subject to clause 3.7, the RCPS Scheme will take effect on and from the Effective Date.

### **3.7 End Date**

Without limiting any rights under the Scheme Implementation Deed, the RCPS Scheme will lapse and be of no further force or effect if the Effective Date has not occurred on or before the End Date, or any later date the Court, with the consent of DCG and MAH may order.

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## **4. RCPS SCHEME**

### **4.1 Lodgement of Court orders with ASIC**

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(d) of this RCPS Scheme) have been satisfied or waived, DCG will, as soon as possible after the RCPS Scheme Order is made, and in any event by 12.00pm on the first Business Day after the date which the RCPS Scheme Order is made or such later date as by DCG and MAH may agree in writing, lodge with ASIC an office copy of the RCPS Scheme Order in accordance with section 411(10) of the Corporations Act.

### **4.2 Transfer of RCPS Scheme Shares**

On the Implementation Date, in consideration of and subject to the provision by MAH of the RCPS Scheme Consideration in accordance with clause 5 of this RCPS Scheme, the RCPS Scheme Shares, together with all rights and entitlements attaching to the RCPS Scheme Shares as at the Implementation Date, will be transferred to MAH without the need for any further acts by any RCPS Scheme Shareholder (other than acts performed by DCG as attorney and agent for RCPS Scheme Shareholders under clause 6.1) by:

- (a) DCG delivering to MAH a duly completed and executed RCPS Scheme Transfer for all of the RCPS Scheme Shares, executed by DCG on behalf of the RCPS Scheme Shareholders; and

- (b) MAH duly executing the RCPS Scheme Transfer and delivering it to DCG for registration.

#### **4.3 Transfer documentation**

As soon as practicable after receipt by DCG of the RCPS Scheme Transfer duly executed by MAH as transferee pursuant to clause 4.2(b), and in any event within 2 Business Days after such receipt, DCG must enter, or procure the entry of, the name of MAH in the DCG RCPS Register in respect of all of the RCPS Scheme Shares transferred to MAH in accordance with the terms of this RCPS Scheme.

#### **4.4 Entitlement to RCPS Scheme Consideration**

On the Implementation Date, in consideration for the transfer to MAH of the RCPS Scheme Shares, each RCPS Scheme Shareholder will be entitled to receive the RCPS Scheme Consideration in respect of each of their RCPS Scheme Shares in accordance with, and subject to the terms of this RCPS Scheme and the RCPS Scheme Deed Poll.

#### **4.5 Beneficial entitlement by MAH**

Subject to the provision of the RCPS Scheme Consideration to RCPS Scheme Shareholders in accordance with clause 6, on and from the Implementation Date, MAH will be beneficially entitled to the RCPS Scheme Shares (together with all rights and entitlements attached to the RCPS Scheme Shares) transferred to it under the RCPS Scheme, pending registration by DCG of MAH in the DCG RCPS Register as the holder of the RCPS Scheme Shares.

#### **4.6 Transfer free from Encumbrances**

To the extent permitted by law, all RCPS Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to MAH under this RCPS Scheme will, at the date of the transfer of them to MAH, vest in MAH free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this RCPS Scheme.

#### **4.7 Enforcement of RCPS Scheme Deed Poll**

DCG undertakes in favour of each RCPS Scheme Shareholder to enforce the RCPS Scheme Deed Poll against MAH on behalf of and as agent and attorney for the RCPS Scheme Shareholders.

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### **5. RCPS SCHEME CONSIDERATION**

#### **5.1 Provision of RCPS Scheme Consideration**

- (a) MAH must, by no later than the Business Day before the Implementation Date, deposit, or procure the deposit, in cleared funds an amount equal to the aggregate amount of the RCPS Scheme Consideration payable to all RCPS Scheme Shareholders, into an Australian dollar denominated trust account with an ADI operated by DCG as trustee for the RCPS Scheme Shareholders (provided that any interest on the amounts deposited (less bank fees and other charges) will be credited to MAH's account).

- (b) On the Implementation Date, subject to receipt of the RCPS Scheme Consideration from MAH in accordance with clause 5.1(a), DCG must pay or procure the payment of the RCPS Scheme Consideration to each RCPS Scheme Shareholder from the trust account referred to in clause 5.1(a).
- (c) The obligations of DCG under clause 5.1(b) will be satisfied by DCG (in its absolute discretion, and despite any election referred to in clause 5.1(c)(i) or authority referred to in clause 5.1(c)(ii) made or given by the RCPS Scheme Shareholder):
  - (i) if a RCPS Scheme Shareholder has, before the Record Date, made a valid election in accordance with the requirements of the DCG Registry to receive dividend payments from DCG by electronic funds transfer to a bank account nominated by the RCPS Scheme Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election;
  - (ii) paying, or procuring the payment of, the relevant amount in Australian currency by electronic means to a bank account nominated by the RCPS Scheme Shareholder by an appropriate authority from the RCPS Scheme Shareholder to DCG; or
  - (iii) dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the RCPS Scheme Shareholder by prepaid post to their Registered Address (as at the Record Date), such cheque being drawn in the name of the RCPS Scheme Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 5.2).
- (d) To the extent that, following satisfaction of DCG's obligations under clause 5.1(b), there is a surplus in the amount held by DCG as trustee for the RCPS Scheme Shareholders in the trust account referred to in clause 5.1(a), that surplus must be paid by DCG to MAH.

## **5.2 Joint holders**

In the case of RCPS Scheme Shares held in joint names:

- (a) subject to clause 5.1(c), the RCPS Scheme Consideration is payable to the joint holders and any cheque required to be sent under this RCPS Scheme will be made payable to the joint holders and sent to either, at the sole discretion of DCG, the holder whose name appears first in the DCG RCPS Register on the Record Date or to the joint holders; and
- (b) any other document required to be sent under this RCPS Scheme, will be forwarded to either, at the sole discretion of DCG, the holder whose name appears first in the DCG RCPS Register on the Record Date or to the joint holders.

## **5.3 Unclaimed monies**

- (a) DCG may cancel a cheque issued under this clause 5 if the cheque:
  - (i) is returned to DCG; or
  - (ii) has not been presented for payment within 6 months after the date on which the cheque was sent.

- (b) During the period of 12 months commencing on the Implementation Date, on request in writing from a RCPS Scheme Shareholder to DCG (or the DCG Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), DCG must reissue a cheque that was previously cancelled under this clause 5.3.
- (c) The *Unclaimed Money Act 1990 (WA)* will apply in relation to any RCPS Scheme Consideration which becomes 'unclaimed money' (as defined in section 6 of the *Unclaimed Money Act 1990 (WA)*).
- (d) Any interest or other benefit accruing from the unclaimed RCPS Scheme Consideration will be to the benefit of MAH.

#### **5.4 Orders of a court or Government Agency**

If written notice is given to DCG (or the DCG Registry) or MAH of an order or direction made by a court of competent jurisdiction or by another Government Agency that:

- (a) requires consideration to be provided to a third party (either through payment of a sum or the issuance of a security) in respect of RCPS Scheme Shares held by a particular RCPS Scheme Shareholder, which would otherwise be payable or required to be issued to that RCPS Scheme Shareholder by DCG in accordance with this clause 5, then DCG shall be entitled to procure that provision of that consideration is made in accordance with that order or direction; or
- (b) prevents DCG from providing consideration to any particular RCPS Scheme Shareholder in accordance with this clause 5, or the payment or issuance of such consideration is otherwise prohibited by applicable law, DCG shall be entitled to retain an amount, in Australian dollars, equal to the number of RCPS Scheme Shares held by that RCPS Scheme Shareholder multiplied by the RCPS Scheme Consideration until such time as the provision of the RCPS Scheme Consideration in accordance with this clause 5 is permitted by that (or another) order or direction or otherwise by law.

#### **5.5 Withholding**

- (a) If MAH determines (acting reasonably) that it must pay an amount to the Commissioner under Subdivision 14-D of Schedule 1 of the TAA in relation to the acquisition of any RCPS Scheme Shares from an RCPS Scheme Shareholder, MAH must:
  - (i) determine the Withholding Amount to be paid to the Commissioner in respect of the acquisition of the RCPS Scheme Shares from such RCPS Scheme Shareholder;
  - (ii) instruct DCG to deduct, and DCG must deduct the Withholding Amount from the RCPS Scheme Consideration payable to such RCPS Scheme Shareholder, and return all such Withholding Amounts to MAH;
  - (iii) pay the Withholding Amounts to the Commissioner within the timeframe required under the TAA; and

- (iv) if requested in writing by the relevant RCPS Scheme Shareholder, provide a receipt or other appropriate evidence of payment of the Withholding Amount to the Commissioner (or procure the provision of such receipt or other evidence) to the relevant RCPS Scheme Shareholder.
- (b) The aggregate sum payable to relevant RCPS Scheme Shareholders is not to be increased to reflect deduction of Withholding Amounts and the net aggregate sum payable to those RCPS Scheme Shareholders is to be taken to be full and final satisfaction of MAH's obligation to pay the RCPS Scheme Consideration to those RCPS Scheme Shareholders.
- (c) MAH and DCG must:
  - (i) consult in good faith as to the application of the CGT Withholding Law to the RCPS Scheme; and
  - (ii) use reasonable endeavours to take all actions that are necessary or desirable in relation to the CGT Withholding Law, which may include, without limitation, promptly communicating with any RCPS Scheme Shareholder to obtain a Valid Variation Notice or Withholding Declaration contemplated by the CGT Withholding Law so as to reduce or eliminate the Withholding Amount payable to the Commissioner in respect of any RCPS Scheme Shareholder.

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## **6. RCPS SCHEME SHAREHOLDERS**

### **6.1 Authority given to DCG**

Each RCPS Scheme Shareholder, without the need for any further act, irrevocably appoints DCG and each of its directors and officers (jointly and severally) as its attorney and agent:

- (a) to do and execute all acts, matters, things and documents on the part of each RCPS Scheme Shareholder necessary to implement and give full effect to this RCPS Scheme and the transactions contemplated by it, including executing the RCPS Scheme Transfer and giving of the RCPS Scheme Shareholder's consent; and
  - (b) enforcing the RCPS Scheme Deed Poll against MAH,
- and DCG accepts such appointment.

### **6.2 Appointment of sole proxy**

Subject to the provision of the RCPS Scheme Consideration to each RCPS Scheme Shareholder in the manner contemplated by clauses 4.2 and 5.1, on and from the Implementation Date and until MAH is registered as the holder of all RCPS Scheme Shares in the DCG RCPS Register, each RCPS Scheme Shareholder:

- (a) irrevocably appoints MAH as attorney and agent (and directs MAH in such capacity) to appoint any director, officer, secretary or agent nominated by MAH as its sole proxy and, where applicable, corporate representative, to attend shareholders' meetings, exercise the votes attaching to the RCPS Scheme Shares registered in their name and sign any shareholders' resolution or document

- (b) must not attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to clause 6.2(a));
- (c) must take all other actions in the capacity of a registered holder of RCPS Scheme Shares as MAH reasonably directs; and
- (d) acknowledges and agrees that in exercising the powers referred to in clause 6.2(a), MAH and any director, officer, secretary or agent nominated by MAH under clause 6.2(a) may act in the best interests of MAH as the intended registered holder of the RCPS Scheme Shares.

### **6.3 RCPS Scheme Shareholder's consent**

Each RCPS Scheme Shareholder irrevocably:

- (a) agrees to the transfer of their RCPS Scheme Shares, together with all rights and entitlements attaching to those RCPS Scheme Shares to MAH, in accordance with the RCPS Scheme;
- (b) agrees to the variation, cancellation or modification of the rights attached to their RCPS Scheme Shares constituted by or resulting from this RCPS Scheme;
- (c) agrees to, on the direction of MAH, destroy any holding statements or share certificates relating to their RCPS Scheme Shares;
- (d) agrees and acknowledges that the receipt of the RCPS Scheme Consideration constitutes satisfaction of all its entitlements under this RCPS Scheme;
- (e) acknowledges and agrees that this RCPS Scheme binds DCG and all RCPS Scheme Shareholders (including those who do not attend the RCPS Scheme Meeting and those who do not vote, or vote against this RCPS Scheme, at the RCPS Scheme Meeting);
- (f) appoints DCG, and each director and officer of DCG, as its agent to receive on its behalf any financial services guide (or similar or equivalent document) and any other notices; and
- (g) consents to DCG and MAH doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of the RCPS Scheme and DCG, as agent of each RCPS Scheme Shareholder, may sub-delegate its functions under this clause 6.3 to any of its directors and officers, severally.

### **6.4 Warranties by RCPS Scheme Shareholders**

- (a) Each RCPS Scheme Shareholder is deemed to have warranted to DCG, and appointed and authorised DCG as its attorney and agent to warrant to MAH that:
- (b) all of their RCPS Scheme Shares (including any rights and entitlements attaching to those shares as at the Implementation Date) which are transferred to MAH under the RCPS Scheme will, as at the date of transfer, be fully paid and free from Encumbrances or other interests of third parties of any kind, whether legal or otherwise and from all other restrictions on transfer; and

- (c) they have full power and capacity to sell and transfer their RCPS Scheme Shares (including all rights and entitlements attaching to their RCPS Scheme Shares as at the Implementation Date) to MAH.

---

## **7. DEALINGS IN RCPS SCHEME SHARES**

### **7.1 Determination of RCPS Scheme Shareholders**

- (a) For the purpose of establishing the persons who are RCPS Scheme Shareholders, dealings in RCPS Scheme Shares will only be recognised if:
  - (i) in the case of dealings of the type to be effected using CHES, the transferee is registered in the DCG RCPS Register as the holder of the relevant RCPS Scheme Shares on or before the Record Date; and
  - (ii) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the DCG RCPS Register is kept.
- (b) DCG must register registrable transmission applications or transfers of the kind referred to in clause 7.1 (a)(ii) on or before the Record Date.
- (c) DCG will not accept for registration or recognise for any purpose any transmission applications or transfers in respect of RCPS Scheme Shares received after 5:00pm on the Record Date, other than a transfer to MAH in accordance with the RCPS Scheme and any subsequent transfer by MAH, or its successors in title.
- (d) If the RCPS Scheme becomes Effective, a holder of RCPS Scheme Shares (and any person claiming through that holder) must not dispose of or purport to agree to dispose of any RCPS Scheme Shares or any interest in them after the Record Date and any such disposal will be void and of no legal effect whatsoever.

### **7.2 Maintenance of DCG RCPS Register**

- (a) For the purpose of determining entitlements to the RCPS Scheme Consideration, DCG will, until the RCPS Scheme Consideration has been provided, maintain the DCG RCPS Register in accordance with the provisions of this clause 7 and the DCG RCPS Register in this form will solely determine entitlements to the RCPS Scheme Consideration.
- (b) All certificates and holding statements for RCPS Scheme Shares (other than holding statements in favour of MAH and its successors in title after the Implementation Date) will cease to have any effect after the Record Date as documents of title in respect of those RCPS Scheme Shares, and subject to provision of the RCPS Scheme Consideration by MAH and registration of the transfer to MAH of the RCPS Scheme Shares as contemplated by clauses 4.2 and 5.1, each entry current at that date on the DCG RCPS Register relating to RCPS Scheme Shares will cease to be of any effect other than as evidence of entitlement to the RCPS Scheme Consideration in respect of the RCPS Scheme Shares relating to that entry.

### 7.3 Information to be made available to MAH

DCG will procure that, as soon as reasonably practicable after the Record Date, details of the names, Registered Addresses and holdings of RCPS Scheme Shares of every RCPS Scheme Shareholder as shown in the DCG RCPS Register as at the Record Date are made available to MAH in such form as MAH reasonably requires.

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## 8. QUOTATION OF DCG RCPS

- (a) DCG must apply to ASX to suspend trading on the ASX in DCG RCPS with effect from the close of trading on the Effective Date.
- (b) On a date after the Implementation Date to be determined by MAH, DCG must apply:
  - (i) for termination of the official quotation of DCG RCPS on the ASX; and
  - (ii) to have itself removed from the official list of the ASX.

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## 9. NOTICES

### 9.1 General

Any notice, transfer, transmission, application, direction, demand, consent or other communication (**Notice**) given or made under this document must be in writing in English and signed by the sender or a person duly authorised by the sender.

### 9.2 Communications by post

Subject to clause 9.3, where a Notice referred to in this document is sent by post to DCG, it will not be deemed to have been received in the ordinary course of post or on a date other than the date (if any) on which it is actually received at DCG's registered office or at the DCG Registry.

### 9.3 After hours communications

If a Notice is given:

- (a) after 5:00pm in the place of receipt; or
- (b) on a day which is a Saturday, Sunday or bank or public holiday in the place of receipt,

it is taken as having been given at 9:00am on the next day which is not a Saturday, Sunday or bank or public holiday in that place.

### 9.4 Omission to give notice

The accidental omission to give notice of the RCPS Scheme Meeting or the non-receipt of such notice by any DCG RCPS Holder will not invalidate the RCPS Scheme Meeting or the proceedings of the RCPS Scheme Meeting, unless the Court makes an order to the contrary.



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## **10. GENERAL**

### **10.1 No liability when acting in good faith**

Without prejudice to either party's rights under the Scheme Implementation Deed, neither MAH nor DCG nor any director, officer, secretary or employee of any of those companies will be liable for anything done or omitted to be done in the performance of this RCPS Scheme or the RCPS Scheme Deed Poll when the relevant entity or person has acted in good faith.

### **10.2 DCG and RCPS Scheme Shareholders bound**

The RCPS Scheme binds DCG and all RCPS Scheme Shareholders (including RCPS Scheme Shareholders who do not attend the RCPS Scheme Meeting, do not vote at that meeting or vote against the RCPS Scheme) and will, for all purposes, to the extent of any inconsistencies and permitted by law, have effect notwithstanding any provision in the constitution of DCG.

### **10.3 Further assurances**

Subject to clause 10.4, DCG will execute all documents and do all acts and things (on its own behalf and on behalf of each RCPS Scheme Shareholder) necessary or expedient for the implementation of, and performance of its obligations under, the RCPS Scheme and the RCPS Scheme Shareholders consent to DCG executing all such documents and doing all such acts or things.

### **10.4 Alterations and conditions**

- (a) DCG may, with the consent of MAH (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned to any variations, alterations or conditions which the Court thinks fit to impose.
- (b) Each RCPS Scheme Shareholder agrees to any such alterations or conditions which DCG has consented to pursuant to clause 10.4(a).

### **10.5 Costs**

Any costs, and any stamp duty and any related fines, interest or penalties, which are payable on or in respect of this document or on any document referred to in this document will be paid as provided for in the Scheme Implementation Deed. For the avoidance of doubt, RCPS Scheme Shareholders do not have to pay any stamp duty, related fines, interest or penalties which are payable on or in respect of this document or any document referred to in this document.

### **10.6 Governing law and jurisdiction**

- (a) This document is governed by and is to be construed in accordance with the laws applicable in Western Australia.
- (b) Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts exercising jurisdiction in Western Australia and any courts which have jurisdiction to hear appeals from any of those courts and waives any right to object to any proceedings being brought in those courts.

## **10.7 Serving documents**

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address for service of notices or with its process agent.

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**ANNEXURE D – ORDINARY SCHEME DEED POLL**

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**MACMAHON HOLDINGS LIMITED**  
**ACN 007 634 406**

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**DEED POLL – ORDINARY SCHEME**

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THIS DEED POLL is made the 19th

day of June

2024

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BY

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MACMAHON HOLDINGS LIMITED (ACN 007 634 406) of 15 Hudswell Road, Perth Airport WA 6105

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IN FAVOUR OF

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Each holder of DCG Shares (other than Excluded Shareholders) recorded in the DCG Share Register as at the Record Date.

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RECITALS

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- A. MAH and DCG have entered into the Scheme Implementation Deed.
- B. Pursuant to the terms of the Scheme Implementation Deed, DCG has agreed to propose the Ordinary Scheme.
- C. Under the Ordinary Scheme, all Ordinary Scheme Shares held by Ordinary Scheme Shareholders will be transferred to MAH for the Ordinary Scheme Consideration.
- D. MAH enters into this deed poll to covenant in favour of Ordinary Scheme Shareholders to perform its obligations under the Ordinary Scheme.

## Operative provisions

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### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this deed poll:

**ASX** means ASX Limited (ACN 008 624 691).

**Business Day** means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed to in writing between the MAH and DCG.

**DCG** means Decmil Group Limited (ACN 111 210 390).

**DCG RCPS** means a redeemable convertible preference share in the capital of DCG that is quoted on the ASX under the code ASX:DCGPA.

**DCG RCPS Holder** means each person who is registered as the holder of a DCG RCPS.

**DCG RCPS Register** means the register of DCG RCPS Holders maintained in accordance with the Corporations Act.

**DCG Share** means a fully paid ordinary share of DCG.

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**DCG Shareholder** means each person who is registered as the holder of a DCG Share.

**DCG Share Register** means the register of holders of DCG Shares maintained in accordance with the Corporations Act.

**Effective** means:

- (a) when used in relation to the Ordinary Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Ordinary Scheme; and
- (b) when used in relation to the RCPS Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the RCPS Scheme.

**Effective Date** means the date on which the Ordinary Scheme and the RCPS Scheme becomes Effective.

**End Date** has the meaning given in the Scheme Implementation Deed.

**Excluded RCPS Holder** means any DCG RCPS Holder who is a member of the MAH Group or any DCG RCPS Holder who holds any DCG RCPS on behalf of or for the benefit of, any member of the MAH Group.

**Excluded Shareholder** means any DCG Shareholder who is a member of the MAH Group or any DCG Shareholder who holds any DCG Shares on behalf of or for the benefit of, any member of the MAH Group.

**First Court Date** means the first day of the hearing by the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meetings is heard.

**MAH** means Macmahon Holdings Limited (ACN 007 634 406).

**MAH Group** means MAH and each of its subsidiaries, and a reference to a 'member of the MAH Group' is to MAH or any of its subsidiaries.

**Implementation Date** means the fifth Business Day following the Record Date.

**Ordinary Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the Ordinary Scheme Shareholders, under which Ordinary Scheme Shareholders will receive the Ordinary Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**Ordinary Scheme Consideration** means \$0.30 per Ordinary Scheme Share.

**Ordinary Scheme Meeting** means the meeting of DCG Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

**Ordinary Scheme Share** means a DCG Share held by an Ordinary Scheme Shareholder at 5:00pm on the Record Date.

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**Ordinary Scheme Shareholder** means a holder of DCG Shares (other than an Excluded Shareholder) recorded in the DCG Share Register as at the Record Date.

**RCPS Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the RCPS Scheme Shareholders under which RCPS Scheme Shareholders will receive the RCPS Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**RCPS Scheme Consideration** means the aggregate of:

- (c) \$0.335 per RCPS Scheme Share; and
- (d) an amount equal to \$0.008 per RCPS Scheme Share (in compensation for dividends that would otherwise have been earned by each DCG RCPS Holder).

**RCPS Scheme Meeting** means the meeting of DCG RCPS Holders (other than Excluded RCPS Holders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

**RCPS Scheme Share** means a DCG RCPS held by a RCPS Scheme Shareholder at 5:00pm on the Record Date.

**RCPS Scheme Shareholder** means a holder of DCG RCPS (other than Excluded RCPS Holders) recorded in the DCG RCPS Register as at the Record Date.

**Record Date** means 5:00pm on the fourth Business Day after the Effective Date.

**Scheme Meetings** means together, the Ordinary Scheme Meeting and the RCPS Scheme Meeting.

**Scheme Implementation Deed** means the scheme implementation deed between DCG and MAH dated 15 April 2024.

## 1.2 Interpretation

The provisions of clause 1.2 of the Ordinary Scheme form part of this deed poll as if set out in full in this deed poll, on the basis that references to 'this Ordinary Scheme' in that clause are references to 'this deed poll', unless the context makes it clear that a rule is not intended to apply.

## 1.3 Business Days

- (a) If anything under this deed poll must be done on a day that is not a Business Day, it must be done instead on or by the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5:00pm on that day or it will be considered to have been done on the following day.

## 1.4 Parties

- (a) If a party consists of more than one person, this deed poll binds each of them separately and any two or more of them jointly.
-



- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

---

## **2. NATURE OF DEED POLL**

MAH acknowledges that:

- (a) this deed poll may be relied on and enforced by any Ordinary Scheme Shareholder in accordance with its terms, even though Ordinary Scheme Shareholders are not party to it; and
- (b) under the Ordinary Scheme, each Ordinary Scheme Shareholder irrevocably appoints DCG and any of DCG's directors (jointly and severally) as its agent and attorney, *inter alia*, to enforce this deed poll against MAH.

---

## **3. CONDITIONS PRECEDENT AND TERMINATION**

### **3.1 Conditions precedent**

The obligations of MAH under this deed poll are subject to the Ordinary Scheme and the RCPS Scheme becoming Effective.

### **3.2 Termination of deed**

If:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms;
- (b) either of the Ordinary Scheme or the RCPS Scheme does not become Effective on or before the End Date; or
- (c) either of the Ordinary Scheme or the RCPS Scheme lapses and becomes of no further force or effect under clause 3.7 of the Ordinary Scheme or the RCPS Scheme (as applicable),

MAH's obligations under this deed poll will automatically terminate and the terms of this deed poll will be of no further force and effect, unless MAH and DCG otherwise agree in writing in accordance with the Scheme Implementation Deed.

### **3.3 Consequences of termination**

If this deed poll is terminated under clause 3.2 then, in addition and without prejudice to any other rights, power or remedies available to Ordinary Scheme Shareholders:

- (a) MAH is released from any obligation to further perform this deed poll; and
  - (b) each Ordinary Scheme Shareholder retains any rights, power or remedies it has against MAH in respect of any breach of this deed poll by MAH which occurred before termination of this deed poll.
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**4. PERFORMANCE OF OBLIGATIONS GENERALLY**

Subject to clause 3, MAH must comply with its obligations under the Scheme Implementation Deed and must do all things necessary or desirable on its part to implement the Ordinary Scheme, including executing the Ordinary Scheme Transfer as contemplated by clause 4.2 of the Ordinary Scheme to effect the transfer of the Ordinary Scheme Shares from the Ordinary Scheme Shareholders to MAH and delivering that executed Ordinary Scheme Transfer to DCG for registration.

---

**5. ORDINARY SCHEME CONSIDERATION**

Subject to clause 3, in consideration of the transfer to MAH of the Ordinary Scheme Shares on the Implementation Date, MAH undertakes in favour of each Ordinary Scheme Shareholder to:

- (a) deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Ordinary Scheme Consideration payable to all Ordinary Scheme Shareholders under the Ordinary Scheme into an Australian dollar denominated trust account operated by DCG as trustee for the Ordinary Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to MAH's account; and
- (b) undertake all other actions, and give each acknowledgement, representation and warranty attributed to it under the Ordinary Scheme,

in each case in accordance with the terms of the Ordinary Scheme.

---

**6. REPRESENTATIONS AND WARRANTIES**

MAH represents and warrants in favour of each Ordinary Scheme Shareholder that:

- (a) it is a company limited by shares and validly existing under the Corporations Act;
- (b) it has full legal capacity and power to enter into this deed poll and to carry out the transactions that this deed poll contemplates;
- (c) it has taken all corporate action that is necessary or desirable to authorise its entry into this deed poll and it carrying out the transactions this deed poll contemplates: and
- (d) this deed poll constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping.

---

**7. CONTINUING OBLIGATIONS**

This deed poll is irrevocable and, subject to clause 3.1, remains in full force and effect until MAH has completely performed its obligations under this deed poll or the earlier termination of this deed poll under clause 3.2.

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## **8. NOTICES**

### **8.1 Form**

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 8.4 or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an authorised officer of the sender.

### **8.2 Manner**

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or
- (d) sent by electronic mail to the party's electronic mail address.

### **8.3 Time**

If a notice is sent or delivered in the manner provided in clause 8.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
  - (i) in Australia to an Australian address, the second Business Day after posting; or
  - (ii) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5:00pm on a Business Day it must be treated as received on the next Business Day in that place.

### **8.4 Initial details**

The addresses and numbers for service are initially:

<b>Party</b>	<b>Address</b>	<b>Attention</b>	<b>E-mail</b>
<b>DCG</b>	20 Parkland Road, Osborne Park, WA 6017	Peter Thomas and Andrew Barclay	<a href="mailto:Peter.Thomas@decmil.com.au">Peter.Thomas@decmil.com.au</a> <a href="mailto:andrew@andrewbarclay.com.au">andrew@andrewbarclay.com.au</a>

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<b>MAH</b>	15 Hudswell Road, Perth Airport 6105	Hamish Tyrwhitt and Michael Finnegan	<a href="mailto:htyrwhitt@macmahon.com.au">htyrwhitt@macmahon.com.au</a> <a href="mailto:mfinnegan@macmahon.com.au">mfinnegan@macmahon.com.au</a>
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## **8.5 Changes**

A party may from time to time change its address or numbers for service by notice to each other party.

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## **9. GOVERNING LAW AND JURISDICTION**

### **9.1 Governing law**

This deed poll is governed by and construed in accordance with the laws of Western Australia.

### **9.2 Jurisdiction**

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed poll; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 9.2(a).

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## **10. MISCELLANEOUS**

### **10.1 Exercise rights**

A single or partial exercise or waiver by a party of any right under or relating to this deed poll will not prevent any other exercise of that right or the exercise of any other right.

### **10.2 Moratorium legislation**

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed poll is excluded to the extent permitted by law.

### **10.3 No assignment**

A party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this deed poll or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party. Any purported dealing in contravention of this clause 10.3 is invalid.

### **10.4 Remedies cumulative**

The rights and remedies under this deed poll are cumulative and not exclusive of any rights or remedies provided by law.

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## **10.5 Severability**

If a provision of this deed poll is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this deed poll has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

## **10.6 Further assurance**

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this deed poll and the transactions contemplated by it.

## **10.7 Costs**

Each party is responsible for all its own costs incurred in the negotiation and performance of this deed poll including legal costs.

## **10.8 Duty**

MAH must pay all stamp duties and any related fines and penalties payable on or in connection with this deed poll and any instrument executed under any transaction evidenced by this deed poll.

## **10.9 Time**

- (a) Time is of the essence of this deed poll.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed poll.
- (c) An agreement to vary a time requirement must be in writing.

## **10.10 Variation**

A provision of this deed poll may be amended if:

- (a) before the First Court Date, the variation is agreed to by DCG and MAH in writing; or
- (b) on or after the First Court Date, the amendment is agreed to by DCG and MAH, which agreement DCG and MAH may give or withhold in their absolute discretion and without reference to or approval by any Ordinary Scheme Shareholder and the Court indicates that the amendment would not of itself preclude approval of the Ordinary Scheme,

in which event MAH will enter into a further deed poll in favour of each Ordinary Scheme Shareholder giving effect to the amendment.

## **10.11 Waiver**

- (a) A party's waiver of a right under or relating to this deed poll, whether prospectively or retrospectively, is not effective unless it is in writing and signed by that party.
  - (b) No other act, omission or delay by a party will constitute a waiver of a right.
-

## **10.12 Counterparts**

This deed poll may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed poll may deliver it to, or exchange it with, another party by emailing a pdf (portable document format) copy of the executed counterpart to that other party.

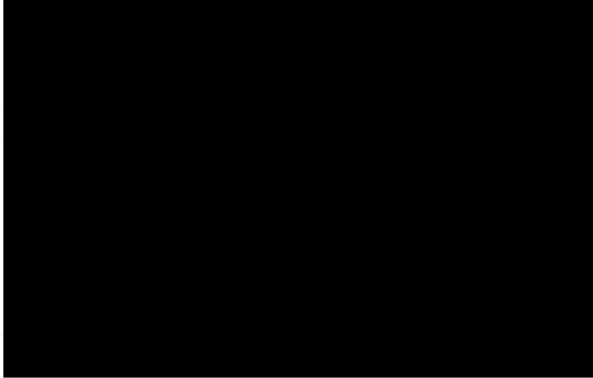
## **10.13 Whole agreement**

This deed poll:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this deed poll; and
  - (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.
-

**EXECUTED AS A DEED POLL**

**EXECUTED** by )  
**MACMAHON HOLDINGS LIMITED** )  
**ACN 007 634 406** )  
in accordance with section 127 of the )  
*Corporations Act 2001 (Cth):*



\*please delete as applicable

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**ANNEXURE E – RCPS SCHEME DEED POLL**

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**MACMAHON HOLDINGS LIMITED**  
**ACN 007 634 406**

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**DEED POLL – RCPS SCHEME**

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THIS DEED POLL is made the 19th

day of June

2024

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BY

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MACMAHON HOLDINGS LIMITED (ACN 007 634 406) of 15 Hudswell Road, Perth Airport WA 6105

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IN FAVOUR OF

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Each holder of DCG RCPS (other than Excluded RCPS Holders) recorded in the DCG RCPS Register as at the Record Date.

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## RECITALS

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- A. MAH and DCG have entered into the Scheme Implementation Deed.
- B. Pursuant to the terms of the Scheme Implementation Deed, DCG has agreed to propose the RCPS Scheme.
- C. Under the RCPS Scheme, all RCPS Scheme Shares held by RCPS Scheme Shareholders will be transferred to MAH for the RCPS Scheme Consideration.
- D. MAH enters into this deed poll to covenant in favour of RCPS Scheme Shareholders to perform its obligations under the RCPS Scheme.

## Operative provisions

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### 1. DEFINITIONS AND INTERPRETATION

#### 1.1 Definitions

In this deed poll:

**ASX** means ASX Limited (ACN 008 624 691).

**Business Day** means a day in Perth, Western Australia that is not a Saturday, Sunday or public holiday and on which banks and ASX are open for trading.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Court** means the Supreme Court of Western Australia or such other Court of competent jurisdiction under the Corporations Act agreed to in writing between the MAH and DCG.

**DCG** means Decmil Group Limited (ACN 111 210 390).

**DCG RCPS** means a redeemable convertible preference share in the capital of DCG that is quoted on the ASX under the code ASX:DCGPA.

**DCG RCPS Holder** means each person who is registered as the holder of a DCG RCPS.

**DCG RCPS Register** means the register of DCG RCPS Holders maintained in accordance with the Corporations Act.

**DCG Share** means a fully paid ordinary share of DCG.

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**DCG Shareholder** means each person who is registered as the holder of a DCG Share.

**DCG Share Register** means the register of holders of DCG Shares maintained in accordance with the Corporations Act.

**Effective** means:

- (a) when used in relation to the Ordinary Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the Ordinary Scheme; and
- (b) when used in relation to the RCPS Scheme, the coming into effect under section 411(10) of the Corporations Act of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to the RCPS Scheme.

**Effective Date** means the date on which the RCPS Scheme and the Ordinary Scheme becomes Effective.

**End Date** has the meaning given in the Scheme Implementation Deed.

**Excluded RCPS Holder** means any DCG RCPS Holder who is a member of the MAH Group or any DCG RCPS Holder who holds any DCG RCPS on behalf of or for the benefit of, any member of the MAH Group.

**Excluded Shareholder** means any DCG Shareholder who is a member of the MAH Group or any DCG Shareholder who holds any DCG Shares on behalf of or for the benefit of, any member of the MAH Group.

**First Court Date** means the first day of the hearing by the Court for an order under section 411(1) of the Corporations Act convening the Scheme Meetings is heard.

**MAH** means Macmahon Holdings Limited (ACN 007 634 406).

**MAH Group** means MAH and each of its subsidiaries, and a reference to a 'member of the MAH Group' is to MAH or any of its subsidiaries.

**Implementation Date** means the fifth Business Day following the Record Date.

**Ordinary Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the Ordinary Scheme Shareholders, under which Ordinary Scheme Shareholders will receive the Ordinary Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**Ordinary Scheme Consideration** means \$0.30 per Ordinary Scheme Share.

**Ordinary Scheme Meeting** means the meeting of DCG Shareholders (other than Excluded Shareholders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

**Ordinary Scheme Share** means an DCG Share held by an Ordinary Scheme Shareholder at 5:00pm on the Record Date.

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**Ordinary Scheme Shareholder** means a holder of DCG Shares (other than an Excluded Shareholder) recorded in the DCG Share Register as at the Record Date.

**RCPS Scheme** means the scheme of arrangement under Part 5.1 of the Corporations Act between DCG and the RCPS Scheme Shareholders under which RCPS Scheme Shareholders will receive the RCPS Scheme Consideration, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act and agreed to in writing by MAH and DCG.

**RCPS Scheme Consideration** means the aggregate of:

- (a) \$0.335 per RCPS Scheme Share; and
- (b) an amount equal to \$0.008 per RCPS Scheme Share (in compensation for dividends that would otherwise have been earned by each DCG RCPS Holder).

**RCPS Scheme Meeting** means the meeting of DCG RCPS Holders (other than Excluded RCPS Holders) ordered by the Court to be convened under section 411(1) of the Corporations Act.

**RCPS Scheme Share** means a DCG RCPS held by a RCPS Scheme Shareholder at 5:00pm on the Record Date.

**RCPS Scheme Shareholder** means a holder of DCG RCPS (other than Excluded RCPS Holders) recorded in the DCG RCPS Register as at the Record Date.

**Record Date** means 5:00pm on the fourth Business Day after the Effective Date.

**Scheme Meetings** means together, the Ordinary Scheme Meeting and the RCPS Scheme Meeting.

**Scheme Implementation Deed** means the scheme implementation deed between DCG and MAH dated 15 April 2024.

## 1.2 Interpretation

The provisions of clause 1.2 of the RCPS Scheme form part of this deed poll as if set out in full in this deed poll, on the basis that references to 'this RCPS Scheme' in that clause are references to 'this deed poll', unless the context makes it clear that a rule is not intended to apply.

## 1.3 Business Days

- (a) If anything under this deed poll must be done on a day that is not a Business Day, it must be done instead on or by the next Business Day.
- (b) If an act is required to be done on a particular day, it must be done before 5:00pm on that day or it will be considered to have been done on the following day.

## 1.4 Parties

- (a) If a party consists of more than one person, this deed poll binds each of them separately and any two or more of them jointly.
-

- (b) An agreement, covenant, obligation, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them separately.
- (c) An agreement, covenant, obligation, representation or warranty on the part of two or more persons binds them jointly and each of them separately.

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## **2. NATURE OF DEED POLL**

MAH acknowledges that:

- (a) this deed poll may be relied on and enforced by any RCPS Scheme Shareholder in accordance with its terms, even though RCPS Scheme Shareholders are not party to it; and
- (b) under the RCPS Scheme, each RCPS Scheme Shareholder irrevocably appoints DCG and any of DCG's directors (jointly and severally) as its agent and attorney, inter alia, to enforce this deed poll against MAH.

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## **3. CONDITIONS PRECEDENT AND TERMINATION**

### **3.1 Conditions precedent**

The obligations of MAH under this deed poll are subject to the RCPS Scheme and the Ordinary Scheme becoming Effective.

### **3.2 Termination of deed**

If:

- (a) the Scheme Implementation Deed is terminated in accordance with its terms;
- (b) either of the RCPS Scheme or the Ordinary Scheme does not become Effective on or before the End Date; or
- (c) either of the RCPS Scheme or the Ordinary Scheme lapses and becomes of no further force or effect under clause 3.7 of the RCPS Scheme or the Ordinary Scheme (as applicable),

MAH's obligations under this deed poll will automatically terminate and the terms of this deed poll will be of no further force and effect, unless MAH and DCG otherwise agree in writing in accordance with the Scheme Implementation Deed.

### **3.3 Consequences of termination**

If this deed poll is terminated under clause 3.2 then, in addition and without prejudice to any other rights, power or remedies available to RCPS Scheme Shareholders:

- (a) MAH is released from any obligation to further perform this deed poll; and
  - (b) each RCPS Scheme Shareholder retains any rights, power or remedies it has against MAH in respect of any breach of this deed poll by MAH which occurred before termination of this deed poll.
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**4. PERFORMANCE OF OBLIGATIONS GENERALLY**

Subject to clause 3, MAH must comply with its obligations under the Scheme Implementation Deed and must do all things necessary or desirable on its part to implement the RCPS Scheme, including executing the RCPS Scheme Transfer as contemplated by clause 4.2 of the RCPS Scheme to effect the transfer of the RCPS Scheme Shares from the RCPS Scheme Shareholders to MAH and delivering that executed RCPS Scheme Transfer to DCG for registration.

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**5. RCPS SCHEME CONSIDERATION**

Subject to clause 3, in consideration of the transfer to MAH of the RCPS Scheme Shares on the Implementation Date, MAH undertakes in favour of each RCPS Scheme Shareholder to:

- (a) deposit, or procure the deposit of, in cleared funds, by no later than the Business Day before the Implementation Date, an amount equal to the aggregate amount of the RCPS Scheme Consideration payable to all RCPS Scheme Shareholders under the RCPS Scheme into an Australian dollar denominated trust account operated by DCG as trustee for the RCPS Scheme Shareholders, except that any interest on the amounts deposited (less bank fees and other charges) will be credited to MAH's account; and
- (b) undertake all other actions, and give each acknowledgement, representation and warranty attributed to it under the RCPS Scheme,

in each case in accordance with the terms of the RCPS Scheme.

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**6. REPRESENTATIONS AND WARRANTIES**

MAH represents and warrants in favour of each RCPS Scheme Shareholder that:

- (a) it is a company limited by shares and validly existing under the Corporations Act;
- (b) it has full legal capacity and power to enter into this deed poll and to carry out the transactions that this deed poll contemplates;
- (c) it has taken all corporate action that is necessary or desirable to authorise its entry into this deed poll and it carrying out the transactions this deed poll contemplates: and
- (d) this deed poll constitutes its legal, valid and binding obligations, enforceable against it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditor's rights generally) subject to any necessary stamping.

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**7. CONTINUING OBLIGATIONS**

This deed poll is irrevocable and, subject to clause 3.1, remains in full force and effect until MAH has completely performed its obligations under this deed poll or the earlier termination of this deed poll under clause 3.2.

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## **8. NOTICES**

### **8.1 Form**

Any notice or other communication to or by any party must be:

- (a) in writing and in the English language;
- (b) addressed to the address of the recipient in clause 8.4 or to any other address as the recipient may have notified the sender; and
- (c) be signed by the party or by an authorised officer of the sender.

### **8.2 Manner**

In addition to any other method of service authorised by law, the notice may be:

- (a) personally served on a party;
- (b) left at the party's current address for service;
- (c) sent to the party's current address for service by prepaid ordinary mail or if the address is outside Australia by prepaid airmail; or
- (d) sent by electronic mail to the party's electronic mail address.

### **8.3 Time**

If a notice is sent or delivered in the manner provided in clause 8.2 it must be treated as given to or received by the addressee in the case of:

- (a) delivery in person, when delivered;
- (b) delivery by post:
  - (i) in Australia to an Australian address, the second Business Day after posting; or
  - (ii) in any other case, on the tenth Business Day after posting; or
- (c) electronic mail, when the sender's computer reports that the message has been delivered to the electronic mail address of the addressee,

but if delivery is made after 5:00pm on a Business Day it must be treated as received on the next Business Day in that place.

### **8.4 Initial details**

The addresses and numbers for service are initially:

<b>Party</b>	<b>Address</b>	<b>Attention</b>	<b>E-mail</b>
<b>DCG</b>	20 Parkland Road, Osborne Park, WA 6017	Peter Thomas and Andrew Barclay	<a href="mailto:Peter.Thomas@decmil.com.au">Peter.Thomas@decmil.com.au</a> <a href="mailto:andrew@andrewbarclay.com.au">andrew@andrewbarclay.com.au</a>

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<b>MAH</b>	15 Hudswell Road, Perth Airport 6105	Hamish Tyrwhitt and Michael Finnegan	<a href="mailto:htyrwhitt@macmahon.com.au">htyrwhitt@macmahon.com.au</a> <a href="mailto:mfinnegan@macmahon.com.au">mfinnegan@macmahon.com.au</a>
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## **8.5 Changes**

A party may from time to time change its address or numbers for service by notice to each other party.

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## **9. GOVERNING LAW AND JURISDICTION**

### **9.1 Governing law**

This deed poll is governed by and construed in accordance with the laws of Western Australia.

### **9.2 Jurisdiction**

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia and the courts competent to determine appeals from those courts, with respect to any proceedings which may be brought at any time relating to this deed poll; and
- (b) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within paragraph 8.2(a).

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## **10. MISCELLANEOUS**

### **10.1 Exercise rights**

A single or partial exercise or waiver by a party of any right under or relating to this deed poll will not prevent any other exercise of that right or the exercise of any other right.

### **10.2 Moratorium legislation**

Any law which varies prevents or prejudicially affects the exercise by a party of any right, power or remedy conferred on it under this deed poll is excluded to the extent permitted by law.

### **10.3 No assignment**

A party must not assign, transfer or novate all or any part of its rights or obligations under or relating to this deed poll or grant, declare, create or dispose of any right or interest in it, without the prior written consent of each other party. Any purported dealing in contravention of this clause 10.3 is invalid.

### **10.4 Remedies cumulative**

The rights and remedies under this deed poll are cumulative and not exclusive of any rights or remedies provided by law.

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## **10.5 Severability**

If a provision of this deed poll is illegal, invalid, unenforceable or void in a jurisdiction it is severed for that jurisdiction and the remainder of this deed poll has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected.

## **10.6 Further assurance**

Each party must promptly at its own cost do all things (including executing and delivering all documents) necessary or desirable to give full effect to this deed poll and the transactions contemplated by it.

## **10.7 Costs**

Each party is responsible for all its own costs incurred in the negotiation and performance of this deed poll including legal costs.

## **10.8 Duty**

MAH must pay all stamp duties and any related fines and penalties payable on or in connection with this deed poll and any instrument executed under any transaction evidenced by this deed poll.

## **10.9 Time**

- (a) Time is of the essence of this deed poll.
- (b) If the parties agree to vary a time requirement, the time requirement so varied is of the essence of this deed poll.
- (c) An agreement to vary a time requirement must be in writing.

## **10.10 Variation**

A provision of this deed poll may be amended if:

- (a) before the First Court Date, the variation is agreed to by DCG and MAH in writing; or
- (b) on or after the First Court Date, the amendment is agreed to by DCG, and MAH which agreement DCG and MAH may give or withhold in their absolute discretion and without reference to or approval by any RCPS Scheme Shareholder and the Court indicates that the amendment would not of itself preclude approval of the Scheme,

in which event MAH will enter into a further deed poll in favour of each RCPS Scheme Shareholder giving effect to the amendment.

## **10.11 Waiver**

- (a) A party's waiver of a right under or relating to this deed poll, whether prospectively or retrospectively, is not effective unless it is in writing and signed by that party.
  - (b) No other act, omission or delay by a party will constitute a waiver of a right.
-

## **10.12 Counterparts**

This deed poll may be executed in any number of counterparts each of which will be considered an original but all of which will constitute one and the same instrument. A party who has executed a counterpart of this deed poll may deliver it to, or exchange it with, another party by emailing a pdf (portable document format) copy of the executed counterpart to that other party.

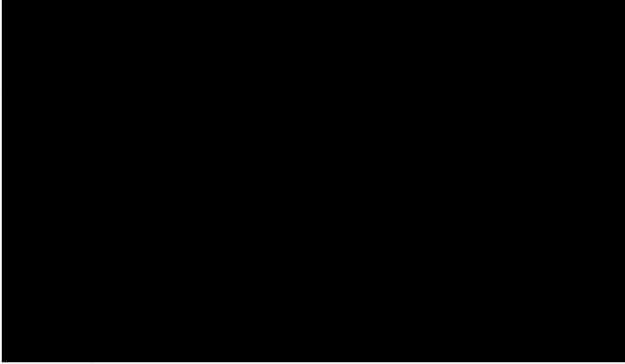
## **10.13 Whole agreement**

This deed poll:

- (a) is the entire agreement and understanding between the parties relating to the subject matter of this deed poll; and
  - (b) supersedes any prior agreement, representation (written or oral) or understanding on anything connected with that subject matter.
-

**EXECUTED AS A DEED POLL**

**EXECUTED by** )  
**MACMAHON HOLDINGS LIMITED** )  
**ACN 007 634 406** )  
in accordance with section 127 of the )  
*Corporations Act 2001 (Cth):*



\*please delete as applicable

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## **ANNEXURE F – NOTICE OF ORDINARY SCHEME MEETING**

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### **Notice of Scheme Meeting of Decmil Shareholders**

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 24 June 2024 pursuant to section 411(1) of the Corporations Act, a meeting of Decmil Shareholders will be held at Level 14, 221 St Georges Terrace, Perth, WA, 6000, on 31 July 2024 commencing at 10:00am (AWST).

The Court has also directed that Pia Drummond, a partner at Steinepreis Paganin, will act as chair of the Ordinary Scheme Meeting, or failing them, Jonathan Murray, a partner at Steinepreis Paganin, and has directed the chair to report the result of the Ordinary Scheme Meeting to the Court.

### **Purpose of the Ordinary Scheme Meeting**

The purpose of the Ordinary Scheme Meeting is to consider and, if thought fit, to agree (with or without modification as required by the Court to which Decmil and Macmahon agree) to a scheme of arrangement proposed to be made between Decmil and the Ordinary Scheme Shareholders.

A copy of the Ordinary Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the Ordinary Scheme are contained in the Scheme Booklet of which this notice forms part. Terms and abbreviations used in this notice and in the Scheme Booklet are defined in the Scheme Booklet.

### **Resolution – Approval of Ordinary Scheme**

To consider, and if thought fit, to pass the following resolution:

*“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Decmil and Ordinary Scheme Shareholders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Western Australia to which Decmil and Macmahon agree).”*

### **Majority Required**

To pass the resolution approving the Ordinary Scheme, votes in favour of the Ordinary Scheme must be cast by:

- more than 50% in number of Decmil Shareholders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by Decmil Shareholders.

Voting at the Ordinary Scheme Meeting will be by poll rather than by show of hands.

Macmahon is excluded from voting on the Ordinary Scheme by reason of the fact that it is the proponent of the Ordinary Scheme. As at the date of the Scheme Booklet, neither Macmahon nor any of its Associates hold any Decmil Shares.

## How to Vote

Decmil Shareholders can vote in either of two ways:

- by attending the Ordinary Scheme Meeting and voting in person or by attorney or, in the case of corporate Decmil Shareholders, by corporate representative; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form enclosed with the Scheme Booklet.

### **Voting in Person (or by Attorney or Corporate Representative)**

Decmil Shareholders or their attorneys who plan to attend the Ordinary Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Ordinary Scheme Meeting so that the shareholding can be checked against the Decmil Share Register and attendances can be noted. If a Decmil Shareholder wishes to appoint an attorney, that Decmil Shareholder will need to provide Decmil with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the Ordinary Scheme Meeting at least 48 hours prior to the commencement of the Ordinary Scheme Meeting. In order to vote in person at the meeting, a Decmil Shareholder which is a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Decmil Shareholder should obtain an "appointment of Corporate Representative" form from Computershare and complete that form in accordance with its instructions. The representative should bring this form, duly completed, to the Ordinary Scheme Meeting and any authority under which it is signed, unless this has already been provided and is kept at Computershare.

### **Jointly Held Decmil Shares**

If the Decmil Shares are jointly held, only one of the joint shareholders is entitled to vote. If more than one shareholder votes in respect of jointly held Decmil Shares, only the vote of the shareholder whose name appears first on the Decmil Share Register will be counted.

### **Proxy Instructions**

- A Decmil Shareholder entitled to attend and vote at the Ordinary Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Ordinary Scheme Meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, unless the appointment specifies the proportion or number of the Decmil Shareholder's votes, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy may, but need not be, a Decmil Shareholder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Decmil Shareholder's behalf on a poll and the Decmil Shares the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Decmil Shareholders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed the chair of the Ordinary Scheme Meeting as their proxy to vote on their behalf. If

a proxy form is returned but the nominated proxy does not attend the Ordinary Scheme Meeting, the chair of the Ordinary Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chair of the Ordinary Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the Ordinary Scheme.

- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing or given verbally in person of the revocation has been received by Decmil or Computershare before commencement of the Ordinary Scheme Meeting.
- Appointing a proxy will not preclude you from attending the Ordinary Scheme Meeting in person and voting at the Ordinary Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
  - using the reply-paid envelope enclosed with the Scheme Booklet;
  - by lodging your vote online at [www.investorvote.com.au](http://www.investorvote.com.au); or
  - by posting or facsimile to the Decmil share registry as follows:

**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia

**Fax:**

1300 850 505 within Australia  
or  
+61 3 9415 4000 outside Australia

- To be valid for the Ordinary Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than **10:00am (AWST) on 29 July 2024**.
- The proxy form must be signed by the Decmil Shareholder or the Decmil Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney, or the power itself, must be received by Computershare at the above addresses or by facsimile transmission by **10:00am (AWST) on 29 July 2024**. If facsimile transmission is used, the power of attorney must be certified.

### **Decmil Shareholders who are Entitled to Vote**

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the Ordinary Scheme Meeting is **5:00pm (AWST) on 29 July 2024**. Only those Decmil Shareholders entered on the Decmil Share Register as at that time will be entitled to attend and vote at the Ordinary Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the Ordinary Scheme Meeting.

### **Court Approval**

In accordance with section 411(4)(b) of the Corporations Act, the Ordinary Scheme (with or without modification as required by the Court) will not be implemented unless it is approved by an order of the Court. If the resolution put to the Ordinary Scheme Meeting is passed by the majority required and the other Scheme Conditions (other than approval by the Court) are satisfied or waived by the time required under the Ordinary Scheme, Decmil intends to apply to the Court for the necessary orders to give effect to the Ordinary Scheme.



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## **ANNEXURE G – NOTICE OF RCPS SCHEME MEETING**

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### **Notice of Scheme Meeting of Decmil RCPS Holders**

Notice is hereby given that, by order of the Supreme Court of Western Australia (**Court**) made on 24 June 2024 pursuant to section 411(1) of the Corporations Act, a meeting of Decmil RCPS Holders will be held on 31 July 2024 at Level 14, 221 St Georges Terrace, Perth, WA, 6000 at the later of 11:00am (AWST) and the conclusion of the Ordinary Scheme Meeting.

The Court has also directed that Pia Drummond, a partner at Steinepreis Paganin, will act as chair of the RCPS Scheme Meeting, or failing them, Jonathan Murray, a partner at Steinepreis Paganin, and has directed the chair to report the result of the RCPS Scheme Meeting to the Court.

### **Purpose of the RCPS Scheme Meeting**

The purpose of the RCPS Scheme Meeting is to consider and, if thought fit, to agree (with or without modification as required by the Court to which Decmil and Macmahon agree) to a scheme of arrangement proposed to be made between Decmil and the RCPS Scheme Holders.

A copy of the RCPS Scheme and the explanatory statement required by section 412 of the Corporations Act in relation to the RCPS Scheme are contained in the Scheme Booklet of which this notice forms part. Terms and abbreviations used in this notice and in the Scheme Booklet are defined in the Scheme Booklet.

### **Resolution – Approval of RCPS Scheme**

To consider, and if thought fit, to pass the following resolution:

*“That pursuant to and in accordance with section 411 of the Corporations Act, the scheme of arrangement proposed between Decmil and RCPS Scheme Holders, as contained in and more particularly described in the document of which the notice convening this meeting forms part, is approved (with or without modification as approved by the Supreme Court of Western Australia to which Decmil and Macmahon agree).”*

### **Majority Required**

To pass the resolution approving the RCPS Scheme, votes in favour of the RCPS Scheme must be cast by:

- more than 50% in number of Decmil RCPS Holders present and voting (whether in person, by proxy, by attorney or, in the case of a corporation, by corporate representative); and
- at least 75% of the total number of votes cast on the resolution by Decmil RCPS Holders.

Voting at the RCPS Scheme Meeting will be by poll rather than by show of hands.

Macmahon is excluded from voting on the RCPS Scheme by reason of the fact that it is the proponent of the RCPS Scheme. As at the date of the Scheme Booklet, neither Macmahon nor any of its Associates hold any Decmil RCPS.

## How to Vote

Decmil RCPS Holders can vote in either of two ways:

- by attending the RCPS Scheme Meeting and voting in person or by attorney or, in the case of corporate Decmil RCPS Holders, by corporate representative; or
- by appointing a proxy to attend and vote on their behalf, using the proxy form enclosed with the Scheme Booklet.

### **Voting in Person (or by Attorney or Corporate Representative)**

Decmil RCPS Holders or their attorneys who plan to attend the RCPS Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the RCPS Scheme Meeting so that the RCPS holding can be checked against the Decmil RCPS Register and attendances can be noted. If a Decmil RCPS Holder wishes to appoint an attorney, that Decmil RCPS Holder will need to provide Decmil with an original or certified copy of the power of attorney under which they authorise the attorney to attend and vote at the RCPS Scheme Meeting at least 48 hours prior to the commencement of the RCPS Scheme Meeting. In order to vote in person at the meeting, a Decmil RCPS Holder which is a corporation may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. A corporate Decmil RCPS Holder should obtain an "appointment of Corporate Representative" form from Computershare and complete that form in accordance with its instructions. The representative should bring this form, duly completed, to the RCPS Scheme Meeting and any authority under which it is signed, unless this has already been provided and is kept at Computershare.

### **Jointly Held Decmil RCPS**

If the Decmil RCPS are jointly held, only one of the joint shareholders is entitled to vote. If more than one Decmil RCPS Holder votes in respect of jointly held Decmil RCPS, only the vote of the Decmil RCPS Holder whose name appears first on the Decmil RCPS Register will be counted.

### **Proxy Instructions**

- A Decmil RCPS Holder entitled to attend and vote at the RCPS Scheme Meeting is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the RCPS Scheme Meeting.
- The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where two proxies are appointed, unless the appointment specifies the proportion or number of the Decmil RCPS Holder's votes, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
- A proxy may, but need not be, a Decmil RCPS Holder.
- If a proxy is instructed to abstain from voting on any item of business, that person is directed not to vote on the Decmil RCPS Holder's behalf on a poll and the Decmil RCPS the subject of the proxy appointment will not be counted in computing the required majority.
- If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting, as that person thinks fit.
- Decmil RCPS Holders who return their proxy forms with a direction on how to vote but without nominating the identity of their proxy will be taken to have appointed

the chair of the RCPS Scheme Meeting as their proxy to vote on their behalf. If a proxy form is returned but the nominated proxy does not attend the RCPS Scheme Meeting, the chair of the RCPS Scheme Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the chair of the RCPS Scheme Meeting, the secretary or any director which do not contain a direction will, in the absence of a change in circumstances, be used to vote in favour of the RCPS Scheme.

- A vote given in accordance with the terms of a proxy is valid despite the revocation of the proxy, unless notice in writing or given verbally in person of the revocation has been received by Decmil or Computershare before commencement of the RCPS Scheme Meeting.
- Appointing a proxy will not preclude you from attending the RCPS Scheme Meeting in person and voting at the RCPS Scheme Meeting instead of your proxy.
- Completed proxy forms may be lodged by:
  - using the reply-paid envelope enclosed with the Scheme Booklet;
  - by lodging your vote online at [www.investorvote.com.au](http://www.investorvote.com.au); or
  - by posting or facsimile to the Decmil share registry as follows:

**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 1282  
Melbourne VIC 3001  
Australia

**Fax:**

1300 850 505 within Australia  
or  
+61 3 9415 4000 outside Australia

- To be valid for the RCPS Scheme Meeting, completed proxy forms (and any power of attorney under which they are signed) must be received by no later than **11:00am (AWST) 29 July 2024**.
- The proxy form must be signed by the Decmil RCPS Holder or the Decmil RCPS Holder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointor's attorney, a certified copy of the power of attorney, or the power itself, must be received by Computershare at the above addresses or by facsimile transmission by **11:00am (AWST) 29 July 2024**. If facsimile transmission is used, the power of attorney must be certified.

**Decmil RCPS Holders who are Entitled to Vote**

Pursuant to section 411 of the Corporations Act and all other enabling powers, the Court has determined that the time for determining a person's entitlement to vote at the RCPS Scheme Meeting is **5:00pm (AWST) 29 July 2024**. Only those Decmil RCPS Holders entered on the Decmil RCPS Register as at that time will be entitled to attend and vote at the RCPS Scheme Meeting. Registrable transfers or transmission applications received after this time will be disregarded in determining entitlements to vote at the RCPS Scheme Meeting.

## **Court Approval**

In accordance with section 411(4)(b) of the Corporations Act, the RCPS Scheme (with or without modification as required by the Court) will not be implemented unless it is approved by an order of the Court. If the resolution put to the RCPS Scheme Meeting is passed by the majority required and the other Scheme Conditions (other than approval by the Court) are satisfied or waived by the time required under the RCPS Scheme, Decmil intends to apply to the Court for the necessary orders to give effect to the RCPS Scheme.

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## CORPORATE DIRECTORY

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### **Decmil Group Limited**

#### **Directors**

Andrew Barclay – *Non-Executive Chair*  
Rodney Heale – *Executive Director*  
Peter Thomas – *Executive Director*  
David Steele – *Non-Executive Director*  
Vincent Vassallo – *Non-Executive Director*

#### **Company Secretary**

Peter Coppini

#### **Registered Office**

20 Parkland Road  
OSBORNE PARK WA 6017

#### **Principal Office**

Perth  
Level 6  
20 Parkland Road  
OSBORNE PARK WA 6017

Brisbane  
Level 5  
60 Edward Street  
BRISBANE QLD 4000

Melbourne  
Level 3  
850 Collins Street  
DOCKLANDS VIC 3008

#### **Solicitors**

Steinepreis Paganin  
Level 4  
16 Milligan Street  
PERTH WA 6000

#### **Auditor**

RSM Australia Partners  
Level 32  
Exchange Tower  
2 The Esplanade  
PERTH WA 6000

#### **Share Registry**

Computershare Investor Services Pty Limited  
Level 17  
221 St Georges Terrace  
PERTH WA 6000

### **Macmahon Holdings Limited**

#### **Directors**

Hamish Tyrwhitt – *Non-Executive Chair*  
Michael Finnegan – *Managing Director*  
Dharma Chandran – *Non-Executive Director*  
David Gibbs – *Non-Executive Director*  
Denise McComish – *Non-Executive Director*  
Grahame White – *Non-Executive Director*

#### **Company Secretary**

Maha Charar

#### **Registered & Principal Office**

15 Hudswell Road  
PERTH AIRPORT WA 6105

#### **Solicitors**

HWL Ebsworth Lawyers  
Level 14  
Australia Square  
264-278 George Street  
SYDNEY NSW 2000

#### **Auditor**

KPMG  
235 St Georges Terrace  
PERTH WA 6000

#### **Share Registry**

Computershare Investor Services Pty Limited  
Level 17  
221 St Georges Terrace  
PERTH WA 6000