

ASX ANNOUNCEMENT

3 June 2024

Scheme of Arrangement Update - Macmahon enters into Bond Facility Agreement with Decmil

Scheme of Arrangement Update

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

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

Bond Facility Agreement

Macmahon has entered into a Bond Facility Agreement to support Decmil in securing new contracts and to support its obligations in providing bonds for its existing operational contracts. Under the Bond Facility Agreement, Macmahon may arrange the issue of bonds required by counterparties (if requested by Decmil).

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

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face value of any bonds issued under the Bond Facility Agreement which remained outstanding (and had not expired or been replaced by Decmil with other bonds issued under other facilities in place) within 60 days of the date of termination of the Scheme Implementation Deed.

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

*** ENDS ***



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This announcement was authorised for release by the MD/CEO of Macmahon.

For further information, please contact:

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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 strong relationships 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.

Visit www.macmahon.com.au for more information.

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Annexure – Summary of Terms of the Bond Facility Agreement

Purpose	The Bond Facility Agreement has been executed by the parties to assist Decmil and its subsidiaries (together, the Decmil Group) to: <ul style="list-style-type: none"> (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.
Facility and Facility Limit	The bond facility is an uncommitted facility with a Facility Limit of \$20 million.
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.
Fees	The fees payable by Decmil under the Bond Facility Agreement are at least as favourable as the fees payable by Decmil under its existing bond facilities.
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.
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.
Review Events	The Bond Facility Agreement deems certain events to be "Review Events". Review Events include events that make it unlikely that the Schemes proposed with Macmahon, which were disclosed in the Scheme Announcement, would proceed, such as the Scheme Participants not approving the Schemes at the relevant scheme meetings in accordance with the Scheme Implementation Deed, the Court not making orders approving the Schemes or the failure to satisfy any other of conditions precedent set out in the Scheme Implementation Deed. Decmil must promptly provide Macmahon with written notice giving a description of the Review Event. Macmahon may then request amendments to the Bond Facility Agreement within 60 days of receiving that notice. Macmahon and Decmil will negotiate those amendments in good faith for a period of 30 days and if the amendments cannot be agreed within that 30-day period, Macmahon may declare that any

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	outstanding moneys are payable by no later than 30 days after receipt of that notice.
Termination	<p>The Bond Facility Agreement shall terminate on the date that is the earlier of:</p> <ul style="list-style-type: none"> (i) the date which is six months after the Implementation Date under the Scheme Implementation Deed; or (ii) the date which is 60 days after the date on which the Scheme Implementation Deed is terminated, <p>(Termination Date).</p>
Repayment	<p>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.</p>
Others Terms	<p>The Bond Facility Agreement is otherwise on terms customary for an agreement of this nature.</p>
Governing Law	<p>The Bond Facility Agreement is governed by the laws of Western Australia.</p>