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UNSECURED CONVERTIBLE NOTE TRUST DEED

SILVER CHEF LIMITED ABN 40 096 001 955

and

THE PUBLIC TRUSTEE OF QUEENSLAND ABN 12 676 939 467

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TRUST DEED

Made on 12 APRIL 2005

BETWEEN	**SILVER CHEF LIMITED ACN 011 045 828** of 14 Finchely Street, Milton, in the State of Queensland
	('Company' or **'Silver Chef')**
AND	**THE PUBLIC TRUSTEE OF QUEENSLAND** having its registered office at 444 Queen Street, Brisbane in the State of Queensland
	('Trustee')

BACKGROUND

A. The Company intends to issue unsecured notes under this Deed, called 'Notes'.

B. The Company has agreed to enter into this Deed in order to make provision for the appointment of a trustee for Noteholders.

C. The Trustee has agreed for the consideration expressed in this Deed to act as trustee of this Deed on the terms contained in this Deed.

OPERATIVE PROVISIONS

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following words have these meanings in this Deed (including in the Schedules to this Deed) unless the contrary intention appears:

'ASTC' means ASX Settlement and Transfer Corporation Pty Ltd ABN 49 008 504 532;

'Auditor' means the auditor or firm of auditors appointed from time to time by the Company as required by the *Corporations Act*;

'Authorisation' includes:

(a) any consent, authorisation, registration, filing, lodgement, agreement, notarisation, certificate, permission, licence, approval, authority or exemption from, by or with a Government Agency (including any renewal or variation); or

(b) in relation to anything which will be fully or partly prohibited or restricted by law if a Government Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action;

'Business Day' means a day on which ASX is open for trading in Brisbane;

'Conditions' means the terms and conditions applicable to Notes, including the terms and conditions set out in Schedule 1;

'Consolidated Group' means the Company and all of its Subsidiaries;

'**Constitution**' means the Constitution of the Company;

'**Conversion**' means conversion of the Notes into ordinary shares of the Company in accordance with Condition 1.5 of the Conditions;

'**Conversion Date**' means where a Conversion Notice is given under Condition 1.5:

(a) 28 February 2007 and each Interest Payment Date thereafter;

(b) the Maturity Date; or

(c) any date during a Takeover Period.

'**Conversion Notice**' means a notice in the form specified in this Deed which may be given by a Noteholder to the Company pursuant to Condition 1.5(b);

'**Conversion Option**' means the option conferred by Condition 1.5(b) on the Noteholder to apply all or part of the redemption proceeds towards subscription for ordinary shares in the Company in full satisfaction of the Principal Amount otherwise owing on the Note;

'**Conversion Rate**' means the number of Ordinary Shares to be issued to Noteholders on conversion of each Note, determined in the manner specified in Condition 1.8;

'**Corporations Act**' means the *Corporations Act 2001 (Cth)*;

'**Deed**' or '**Trust Deed**' means this deed (including the terms and conditions set out in Schedule 1) and includes any document or documents supplemental to this Deed or executed pursuant to this Deed (including without limitation any Conditions) and any schedules or appendices to this Deed;

'**Delegate**' means a person appointed to act as a delegate of the Trustee for the purposes of this Deed under clause 10.5;

'**Early Redemption Amount**' means in relation to a Note on any day, the greater of:

(a) the Principal Amount of that Note (plus any interest accrued but unpaid on that Note up to and including the Early Redemption Date); and

(b) the Trading Price of that Note during the 10 Business Days prior to the occurrence of the relevant Tax Event (the Calculation Period), except that this alternative shall not apply where:

  (i) the total number of Notes sold by way of on-market transactions on ASX in the Calculation Period is less than 10% of the total number of Notes sold by way of on-market transactions on ASX in the 10 Business Days prior to the Calculation Period; or

  (ii) on any Business Day during the Calculation Period the Notes are suspended or otherwise not tradeable on-market on ASX;

'**Early Redemption Announcement**' means an announcement of an early redemption by the Company in accordance with Condition 1.4;

'**Early Redemption Date**' means the date specified in an Early Redemption Announcement as the date on which Notes are to be redeemed by the Company which must not be later than 90 days after the Early Redemption Announcement;

'**Entitlement Notice**' means a notice from the Company to each Noteholder, setting out the entitlements of each Noteholder and the information required under the Listing Rules;

'**Event of Default**' means each of the events set out in Clause 8.1;

'**Expenses**' has the same meaning as that term has in Clause 9.2;

'**Extraordinary Resolution**' has the same meaning as that term has in Clause 19.23;

'**Finance Arrangement**' means all of the documents and agreements:

(a) which together constitute any arrangement for the borrowing or raising secured against all or any material part of the property or rights of the Company or its subsidiaries, or any document or agreement relating to, or issued under, such arrangement; and

(b) any other documents or agreements which the Company declares to be a Finance Arrangement by notice in writing to the Trustee;

'Finance Creditor' excludes the Notes and includes:

(a) each creditor of the Company which becomes a party to or a beneficiary of a Finance Arrangement as a creditor or agent or trustee of that creditor for so long as it remains a creditor under that Finance Arrangement;

(b) each creditor of the Company which becomes a party to or a beneficiary of a Finance Arrangement on a refinancing (in whole or in part) of a Finance Arrangement as a creditor or agent or trustee of that creditor for so long as it remains a creditor under that first mentioned Finance Arrangement; and

(c) any other person declared to be a Finance Creditor by the Company by notice in writing to the Trustee;

'Finance Debt' means all amounts which the Company may owe to a Finance Creditor under or in relation to a Finance Arrangement other than a Noteholder under this Deed, whether those amounts comprise principal, interest or any other amount owing under a Finance Arrangement, and whether that amount is or becomes owing now or in the future:

(a) by the Company alone or together with one or more others; or

(b) actually or contingently;

'Financial Half-Year' means a financial half year of the Company beginning on 1 January in each year and ending on the following 30 June or beginning on 1 July in each year and ending on the following 31 December;

'Government Agency' means any government or any governmental, semi-governmental or judicial entity or authority in Australia. It also includes any self regulatory organisation established under statute or any stock exchange;

'Interest Payment Date' means 28 February and 31 August in each year including and following the year commencing on 31 August 2005 until the Maturity Date and includes the Maturity Date (except that where there is a Conversion or a Redemption of the Notes under Condition 1.4, the Conversion Date or the Early Redemption Date (as the case may be) shall be the final Interest Payment Date in respect of the Notes Converted or Redeemed);

'Interest Period' means in relation to a Note, the period from (and including) the Issue Date to (but excluding) the first Interest Payment Date and thereafter means:

(a) where there is a Conversion Date or where the Notes are redeemed under Condition 1.4 (as the case may be), the period from (and including) the preceding Interest Payment Date to (and excluding) the Conversion Date or the Early Redemption Date (as the case may be);

(b) the period from (and including) the preceding Interest Payment Date to (but excluding) the following Interest Payment Date; or

(c) the period from (and including) the preceding Interest Payment Date to (but excluding) the Maturity Date;

'Interest Rate' means 10% per annum;

'Issue Date' means the date the Notes are issued following the Company's receipt of the Issue Price;

'**Issue Price**' means $1.00 for each Note;

'**Liabilities**' means all liabilities and provisions including, without limitation, liabilities and provisions in respect of:

(a) income and other taxes;

(b) annual and long service leave of employees; and

(c) dividends recommended, declared or accrued but unpaid;

'**Liquidation**' includes winding up, dissolution, deregistration, administration, amalgamation, receivership, reconstruction, assignment for the benefit of creditors, arrangement or compromise with creditors or bankruptcy;

'**Liquidator**' means the liquidator, provisional liquidator, trustee, administrator, manager, receiver, receiver and manager or other officer – who is appointed to administer or implement the Liquidation;

'**Liquidation Proceeds**' means any amount received by or due to a person in a Liquidation of the Company in respect of a debt owed to that person by the Company;

'**Listing Rules**' means the Official Listing Rules of ASX from time to time with any modification or waivers in their application to the Company which ASX may grant;

'**Maturity Date**' means 31 August 2008;

'**Moneys Owing**' means all money which the Company (whether alone or not) is or at any time may become liable to pay to or for the account of the Trustee, a Noteholder or the Trustee on a Noteholder's behalf (whether alone or not) for any reason whatever under or in connection with any Transaction Document, and includes:

(a) the aggregate Principal Amount and any interest payable on all of the Notes and any other moneys payable to the Noteholders under or pursuant to this Deed; and

(b) money by way of principal, interest, fees, costs, indemnities, charges, duties or expenses or payment of liquidated or unliquidated damages under or in connection with this deed or a Note, or as a result of a breach of or default by the Company under or in connection with any Transaction Document,

and in relation to a Noteholder means that portion of the Moneys Owing which is owing to or in relation to that Noteholder. Where the Company would have been liable for any Moneys Owing but for its Liquidation, it will be taken still to be liable for such Moneys Owing;

'**Note**' means a Note issued by the Company under this Deed which is outstanding;

'**Note Obligations**' means all Liabilities of the Company to Noteholders, and of the Company to the Trustee on behalf of Noteholders, under the Conditions of the Notes, including the Principal Amount and interest on the Principal Amount, but does not include any Liabilities of the Company to the Trustee for the costs, fees and expenses of the Trustee in respect of its duties under this Deed;

'**Noteholder**' in relation to a Note means the person entered in the Register as the holder of the Note;

'**Ordinary Share**' means an ordinary share in the Company;

'**Paying Agent**' means a person appointed by the Company under Clause 5.3 to act as paying agent to distribute Moneys Owing to Noteholders;

'**Principal Amount**' means in relation to each Note, the nominal principal amount of such Note recorded in the Register (which unless otherwise specifically agreed shall equal the Issue Price);

'Quarter' means each period of 3 calendar months (ending on 31 December, 31 March, 30 June and 30 September in each year) which ends on or before the Maturity Date;

'Record Date' has the meaning given in Condition 1.15 of the Conditions;

'Redemption' means redemption by the Company of all or some of the Notes then outstanding in accordance with the Conditions;

'Redemption Amount' of a Note means the Principal Amount of the Note;

'Redemption Notice' means the notice which may be given by the Trustee pursuant to an exercise of its rights under Clause 8.2;

'Register' means a register of holders of Notes established and maintained under Clause 16.1 and includes any Clearing House Electronic Sub-Register System sub-register (if applicable);

'Registrar' means the person appointed by the Company from time to time to keep and update the Register, and as at the date of this Deed is ASX Perpetual Registrars Limited;

'Related Body Corporate' has the meaning given to it in the *Corporations Act*;

'SCH' means ASTC or other applicable CS facility licensee;

'SCH Business Rules' means the operating rules of ASTC or of any relevant organisation which is an alternative to, or successor or replacement of, ASTC or any applicable CS facility licensee;

'Shareholders' means holders of Ordinary Shares in the Company;

'Specified Office' means the registered office of the Company or such other office advised by the Company to the Trustee from time to time;

'Stock Market' or **'ASX'** means Australian Stock Exchange Limited ABN 98 008 624 691;

'Stock Market Authority' means in relation to Australian Stock Exchange Limited – Australian Stock Exchange Limited;

'Subsidiary' has the meaning given to it in the *Corporations Act*;

'Takeover Event' means:

(a) announcement of a takeover bid under which the bidder proposes to obtain voting power in the Company of 50% or more; or

(b) announcement to ASX of a scheme of arrangement which, if effective, would result in a person obtaining voting power in the Company of 50% or more,

whether or not the bidder or person obtaining voting power already has voting power in the Company of 50% or more;

'Takeover Period' means the period of time:

(a) in the case of a takeover bid, commencing on the announcement of the bid and ending on the day on which the bid becomes unconditional; and

(b) in the case of a scheme of arrangement, the day on which the Court makes an order approving the scheme;

'Tax' includes any tax, levy, impost, deduction, charge, rate, duty, compulsory loan or withholding which is levied or imposed by a Government Agency, and any related interest, penalty, charge, fee or other amount and includes GST;

'Tax Event' occurs if the Directors resolve on reasonable grounds (having obtained an opinion from reputable legal counsel or tax adviser) that a change in any taxation law, interpretation or ruling issued by any relevant governmental body has occurred (or is announced) and that change will materially increase the net costs to the Company of having the Notes on issue (having regard, without limitation, to any tax deductions available to the Company in connection with the payment of interest);

'Trading Price' means whilst the Ordinary Shares are quoted on the ASX, the volume weighted average closing price (as determined from ASX published information by any competent person chosen by the Company) for an Ordinary Share calculated over the last 10 trading days prior to the Relevant Date. Where Ordinary Shares are not quoted on the ASX at the time necessary for calculating the Trading Price, then the Trading Price shall be an amount which the Auditors determine to be a fair and reasonable market value for an Ordinary Share as at the relevant Conversion Date and the Auditors' determination in this regard shall be final and binding for all purposes. For the purposes of this definition, **'Relevant Date'** means the Conversion Date save in the case of a Takeover Event or Tax Event, in which case it shall refer to the date of such event;

'Transaction Document' means:

(a) any Note;

(b) this Deed;

(c) any document or agreement which the Company and the Trustee (acting on the instructions of an ordinary resolution of Noteholders, provided that the Trustee is satisfied that the interests of all Noteholders will not be materially prejudiced) at any time agree is to be a Transaction Document for the purpose of this Deed; or

(d) any document or agreement entered into under, or for the purpose of amending or notating, any of them;

'Trust Assets' means all moneys or other property fully and finally received or recovered by the Trustee on account of the Note Obligations free and clear of third party rights or interest (including without limitation the subordination obligations in favour of Finance Creditors created by clause 4 of this Deed);

'Trustee' means The Public Trustee of Queensland or any successor trustee appointed in accordance with this Deed;

'Trustee Company' means a body corporate which would be entitled to act as a trustee for the holders of debentures as defined in Section 9 of the *Corporations Act* under Section 283AC of the *Corporations Act*;

'Unmarketable Parcel' means any parcel of Notes which is not a marketable parcel as defined by the ASX Listing Rules or the SCH Business Rules;

'Unpaid Interest' means in relation to a Note, any interest accrued and due on that Note which is not paid by the Company on its due date; and

'Winding Up Event' means any of the following events:

(a) the Company resolves in general meeting or by special resolution in lieu of a general meeting, to be wound up or to appoint a Liquidator;

(b) an administrator, Liquidator or provisional liquidator is appointed to the Company;

(c) a court makes an order to wind up, or for the appointment of a Liquidator to the Company (other than to effect a solvent reconstruction or amalgamation);

(d) a receiver, receiver and manager, administrative receiver, statutory manage or similar officer is appointed to all or substantially all of the assets and undertaking of the Company; or

(e) the Company enters into a compromise, arrangement or composition with, or assignment for the benefit of, its condition or a class of them.

1.2 Interpretation

In this Deed, including the Schedules, except to the extent that the subject or the context otherwise requires:

(a) reference to any legislation or to any provision of any legislation shall include any modification or re-enactment of, or any legislative provision substituted for, and all legislation and statutory instruments issued under, such legislation or such provision and shall include the corresponding legislation in such other State or Territory of the Commonwealth of Australia as may be relevant from time to time;

(b) words (including words defined in this Deed) denoting the singular number shall include the plural and vice versa;

(c) words importing natural persons will (where appropriate) include corporations, firms, unincorporated associations, partnerships, trusts and any other entities recognised by law and vice versa;

(d) words denoting any gender shall include all genders;

(e) words 'written' and 'in writing' include any means of visible reproduction of words in a tangible and permanently viable form;

(f) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and severally;

(g) a reference to an accounting term is to be interpreted in accordance with accounting standards under the *Corporations Act*, schedule 5 to the Corporations Regulations and, where not inconsistent with those accounting standards and that schedule, generally accepted principles and practices in Australia consistently applied by a body corporate or as between bodies corporate and over time; and

(h) reference to Clauses and Schedules are references to clauses and schedules of this Deed;

(i) reference to a sub-clause is a reference to the sub-clause of the Clause in which it appears, reference to a paragraph is a reference to a paragraph of the sub-clause in which it appears and reference to a sub-paragraph is a reference to a sub-paragraph of a paragraph in which it appears; and

(j) reference to any document or agreement shall be deemed to include references to such document or agreement as novated, supplemented, varied or replaced from time to time.

1.3 Headings

The headings in this Deed are for the purpose of more convenient reference only and shall not form part of this Deed or affect its construction or interpretation.

2. APPOINTMENT OF TRUSTEE

2.1 Appointment of Trustee

The Trustee is hereby appointed as trustee and agrees for the consideration expressed in this Deed to perform the obligations imposed on it by this Deed for the benefit of Noteholders.

3. NOTES

3.1 Issue Of Notes

The Company may from time to time issue Notes in accordance with and subject to this Deed.

3.2 No restriction on further indebtedness

(a) Nothing in this Deed shall prevent or restrain the Company at any time, from incurring, varying or otherwise dealing with any indebtedness or other obligations of any nature, whether contingent, secured or otherwise, and whether ranking in priority to, pari passu with or subordinated to the Notes, provided that:

(i) the net tangible assets of the Consolidated Group are not less than $3.5 million; and

(ii) earnings before interest, tax, depreciation and amortization as determined annually based on the preceding 30 June financial results exceeds 3.5 times all interest payable.

(b) In the event that clause 3.2(a) is not satisfied, the Company must not incur any additional indebtedness other than in its ordinary course of business or by drawing on Finance Debt arrangements approved prior to the breach of clause 3.2(a) until such time as the Company meets these covenants based on the immediately preceding quarterly financial results.

3.3 Conditions of Issue

Each Note shall be issued subject to the Conditions.

3.4 Conditions and this Deed Binding

This Deed, including the Conditions, shall be binding on the Company, the Trustee, the Noteholders and all persons claiming through or under them and Noteholders will be entitled to the benefit of, will be bound by and will be deemed to have notice of, all the provisions of this Deed and the Conditions.

3.5 Validity of Notes

Neither the Trustee nor any Noteholder shall be concerned or obliged to enquire whether any Note has been issued in contravention of this Deed or the Conditions. Each Note issued for valuable consideration shall be deemed to have been validly issued and constituted under this Deed and entitled to the benefit of the provisions of this Deed and the Conditions, notwithstanding that it may subsequently be determined that the issue of such Note was in breach of any provision of this Deed or the Conditions (but without prejudice to the Trustee's rights under or pursuant to this Deed against the Company in relation to such breach).

3.6 Registration of Notes

The Company will issue Notes by registering or causing the Registrar to register the Noteholder as the holder of the Notes. The Notes will be issued when the Noteholder is inscribed in the Register as the holder of the Notes. When Notes are issued to a Noteholder the Company will include, or cause the Registrar to include, in the Register the particulars required by clause 16.1.

3.7 Equal Ranking

All Notes will rank equally.

3.8 Unsecured

Notes will be unsecured notes under section 283BH of the *Corporations Act*.

3.9 Fees relating to Issue of Notes

The Company may pay to any person commission, brokerage or procuration or other fees in relation to the issue or purchase of Notes (including, without limitation, for underwriting the issue or purchase of Notes).

3.10 Purchase by Company

The Company may from time to time and in accordance with the Conditions purchase (on market or by private treaty) issued Notes and may cancel or re-issue any of those Notes so purchased.

4. SUBORDINATION AND STATUS OF NOTES

4.1 Subordination

All Notes are issued on the condition that (subject to clause 4.2) the liabilities of the Company to Noteholders and to the Trustee under this Deed and the Notes will at all times be unsecured and:

(a) shall rank in priority and right of payment behind and subordinated to all Finance Debt; and

(b) shall rank pari passu with all other unsecured creditors of the Company.

4.2 Payments permitted prior to Liquidation

Until the Company enters Liquidation, the Company shall be entitled to pay, and the Noteholders and the Trustee shall be entitled to receive payment from the Company of any obligations due and owing by the Company in respect of the Notes, and the Trustee shall be entitled to pay any sums so received to or for the benefit of Noteholders entitled to those sums. Any such payment by the Company or receipt by Noteholders or the Trustee prior to the Company entering Liquidation will not constitute a breach of clause 4.1 and any such payment received by a Noteholder or the Trustee prior to the Company entering Liquidation shall be received free of any obligation on the part of the recipient to refund or return the same to the Company or a Liquidator or to hold the same on trust for Finance Creditors.

5. PAYMENT ON NOTES

5.1 Acknowledged Indebtedness

The Company acknowledges its indebtedness to the Trustee in respect of the Principal Amount of the Notes and interest thereon payable from time to time, provided however that unless the Trustee otherwise directs, the payment of such moneys shall occur by means of payment directly to each Noteholder in accordance with the following provisions and any such payment shall operate as a payment to the Trustee in satisfaction of the Company's obligations under this clause.

5.2 Payment of Moneys Owing

The Company must make payment of the Moneys Owing to Noteholders directly as and when due in accordance with the Conditions.

5.3 Paying Agent

The Company may appoint in writing at any time any person as Paying Agent to distribute Moneys Owing to Noteholders.

5.4 Return of Moneys Owing

If for any reason any amount to be distributed under clause 5.1 is unable to be distributed within 6 months of the date the Company or a Paying Agent sought to make the distribution to the Noteholders, at the expiration of that 6 months the relevant amount will be returned by the Paying Agent to the Company or retained by the Company as the case may be ('retained amounts'). Where the Company is holding retained amounts, it will make payment to a Noteholder entitled to the Moneys Owing on demand by the Noteholder at any time before expiration of 6 years following the date the relevant retained amount was originally distributed to the Noteholder under clause 5.1 or paid to the Paying Agent for distribution under clause 5.3.

5.5 Interest accruing on Moneys Owing

Any interest which accrues on any Moneys Owing which have become retained amounts will accrue to the benefit of the Company and not to any Noteholder until such time as those moneys are distributed to Noteholders in accordance with clause 5.4.

6. OBLIGATIONS OF COMPANY

6.1 Accounts

The Company must:

(a) within 90 days of the end of a financial year of the Company, cause a set of consolidated accounts for the Company for that financial year as required by, and prepared in accordance with Part 2M.3, Division 1 of the *Corporations Act*, to be made out and lodged with the Australian Securities and Investments Commission and with the Trustee; and

(b) within 75 days of the end of the first 6 months of a financial year of the Company, cause a set of half year unaudited consolidated financial statements of the Company and its controlled entities for that half year as required by, and prepared in accordance with Part 2M.3, Division 2 of the *Corporations Act*, to be made out and lodged with the Australian Securities and Investments Commission and with the Trustee.

6.2 Audit

The accounts referred to in clause 6.1(a) must be prepared and audited in accordance with Part 3M.3 Division 3 of the *Corporations Act*. The Company may elect to cause the accounts referred to in clause 6.1(b) to be reviewed in accordance with section 309(4) of the *Corporations Act* by a person qualified in accordance with Section 331AA(2) of the *Corporations Act*.

6.3 Section 283BF – Quarterly Report

(a) The Company must, as soon as possible (and in any case less than 6 months) after the first issue of Notes, notify the Trustee of a day for the purpose of section 283BF(2) of the *Corporations Act*.

(b) The directors of the Company must provide to the Trustee (and lodge a copy with the Australian Securities and Investments Commission) within one month of the end of a Quarter a report of the Company which must set out in detail any matter relating to that Quarter adversely affecting the security or the interests of Noteholders and otherwise include the matters referred to in section 283BF of the *Corporations Act* (as amended from time to time).

6.4 Information at Reasonable Request of Trustee

(a) The Company agrees to provide the Trustee such information as the Trustee reasonably requests about the Company and any of its subsidiaries to enable the Trustee to carry out its duties under this Deed and the *Corporations Act*.

(b) Where the information requested in clause 6.4(a) relates to financial information, the Trustee may request the Company to provide an Auditor's certificate stating that the Auditor has reviewed that financial information and acknowledges that based on the Auditor's reasonable enquiries nothing has come to the Auditor's attention which causes the Auditor to believe that the information provided to the Trustee is incorrect or incomplete.

6.5 Compliance with Deed

(a) The Company undertakes to the Trustee to comply with this Deed.

(b) The Trustee declares and acknowledges that the following are held on trust by the Trustee for the benefit of Noteholders:

- (i) the right to enforce the Company duty to repay the Principal Amount paid on the Notes;
- (ii) any charge or security for repayment;
- (iii) the right to enforce any other duty that the Company has under:
  - (A) the terms of the Notes;
  - (B) the provisions of the Deed; or
  - (C) Chapter 2L of the *Corporations Act*.

6.6 *Corporations Act* compliance

(a) The Company shall, as required by section 318(1) of the *Corporations Act* provide to the Trustee the documentation required thereunder within the time thereby required.

(b) The Company shall, as required by section 318(2) and (3) of the *Corporations Act*, also send to Noteholders the documentation required by those subsections.

6.7 Financial covenants

The Company shall:

(a) without derogating from any provision of this Deed, including clause 3.2(a), not enter into financial indebtedness or otherwise provide security over the assets of the Company or any entities it controls where such indebtedness is in excess of $1 million without the consent of the Trustee;

(b) not acquire any significant assets other than assets acquired to be used as trading stock or equipment let in the ordinary course of the business of the Company without the consent of the Trustee; or

(c) not issue any significant interests in the equity or otherwise of the Company or any entities it controls without the consent of the Trustee.

7. COVENANTS BY COMPANY

The Company hereby covenants with the Trustee that it will comply with the following covenants.

7.1 Conduct of Business

The Company will carry on and conduct the business of the Company in a proper and efficient manner and will procure that each of its subsidiaries will carry on and conduct their businesses in a proper and efficient manner.

7.2 Inspection of Records by Trustee

The Company will make available for inspection by the Trustee or any registered company auditor appointed by the Trustee the whole of the accounting or other records of the Company and will give to the Trustee such information as it requires with respect to all matters relating to the accounting or other records of the Company.

7.3 Meeting Convened by Noteholders

On the application of Noteholders holding not less than 10% in nominal value of the Notes delivered to the Company's registered office the Company will give notice to the Trustee and to each Noteholder at the Noteholder's address as specified in the Register convening a meeting of Noteholders:

(a) to consider the balance sheet and accounts which were laid before the last preceding annual general meeting of the Company; and

(b) to give to the Trustee directions in relation to the exercise of the Trustee's powers;

with the meeting to be held at a time and place specified in the notice and under the chairmanship of a person nominated by the Trustee or, if the Trustee does not nominate a person, the Chairman is to be a person appointed by the Noteholders present at the meeting.

7.4 Compliance with Covenants

The Company will duly and punctually observe, fulfil, perform and comply with all the covenants, conditions and obligations imposed upon it by or under this Deed or the Conditions.

7.5 Duties at Law

The Company covenants to:-

(a) perform each of the duties or obligations imposed on it by the *Corporations Act* including the obligations and duties imposed by Part 2L of the *Corporations Act* or any other statute from time to time and the ASX Listing Rules;

(b) ensure that all information provided to the Trustee is true and correct and is not (by omission or otherwise) misleading.

7.6 General Covenants

The Company covenants to:-

(a) give to the Trustee any information which it may reasonably require for the purposes of this Deed;

(b) immediately advise the Trustee in writing of any default and particulars of such default by the Company under any encumbrance over all or any part of its assets or undertaking;

(c) duly and punctually fulfil perform and comply with all the covenants, terms , conditions and obligations imposed upon it by or under this Deed, Chapter 2L of the *Corporations Act* or the Conditions and notify the Trustee in writing immediately on becoming aware that any of those covenants terms conditions and obligations cannot be fulfilled or performed;

(d) not without the prior consent in writing of the Trustee make an application under section 411 of the *Corporations Act*;

(e) not pay any dividend while any interest on the Notes is overdue and unpaid or while any of the Notes is overdue and unpaid or while any of the Notes which have become payable or redeemable has not been paid or redeemed as a consequence of default by the Company;

(f) not without the prior consent in writing of the Trustee reduce or attempt to reduce its capital;

(g) execute and do all such assurances and things as are reasonably required for giving effect to this Deed and conferring the full benefit of this Deed upon Noteholders.

8. EVENTS OF DEFAULT

8.1 Events

Each of the following events is an Event of Default:

(a) **(unremedied default in payment)** if the Company makes default in the payment of any Moneys Owing in respect of the Notes and that default continues unremedied by the Company for a period of one month after demand for those moneys is made by the Trustee or any Noteholder;

(b) **(unremedied material breach)** if the Company commits a material breach of any other covenant, condition or obligation imposed on it by this Deed or the Conditions and that breach has not been remedied within 30 days of receiving notice of the breach from the Trustee requiring that breach to be remedied;

(c) **(winding up)** if an order is made or a resolution is effectively passed for the winding up of the Company except for the purposes of a reconstruction or amalgamation with the prior written consent of the Trustee (such consent not to be unreasonably withheld);

(d) **(insolvency)** if the Company is unable to pay its debts within the meaning of the *Corporations Act*; and

(e) **(liquidation)** if the Company enters Liquidation.

8.2 Action upon an Event of Default

(a) Upon the occurrence of an Event of Default, the Trustee on behalf of Noteholders may only take action as set out in this clause 8.2. However, nothing in this clause 8.2 prevents the Trustee from taking any action permitted by clause 8.4 or 8.5 or bringing proceedings or taking any other action from time to time to recover moneys owing to it.

(b) Upon becoming actually aware of the occurrence of an Event of Default, the Trustee must convene a meeting of Noteholders to consider that Event of Default and, if so resolved by Extraordinary Resolution, give the Trustee directions to exercise any of the powers referred to in clause 8.2(c).

(c) If directed in writing by Noteholders holding Notes representing not less than 25% in value of the Principal Amount of all Notes or, if directed by an Extraordinary Resolution, the Trustee must do all or any of the following as directed:

(i) commence proceedings for the winding up of the Company or take such other action relating to enforcement of payment of Moneys Owing to Noteholders (including without limitation issuing Redemption Notices requiring the

Company to redeem the Notes) and deal with the proceeds in accordance with clause 8.6; and

(ii) to prove in any Liquidation of the Company (irrespective of when that Liquidation is commenced) and deal with the proceeds in accordance with clause 8.6.

8.3 No enforcement

Whether or not an Event of Default has occurred, the Trustee must not demand, plead or seek to enforce, directly or indirectly, including by way of set off or counterclaim, or in any other manner, the payment of any obligations of the Company in respect of the Notes other than as set out in clauses 8.2, 8.4 and 8.5.

8.4 Permitted Actions by Trustee

Nothing in this Deed shall exclude, limit, defer or otherwise prejudicially affect:

(a) the right of the Trustee to seek directions from a court pursuant to Part 2L.8 of the *Corporations Act* or to take any other proceedings seeking the directions or guidance of any court, tribunal or other authority as to the performance of its functions and duties pursuant to this Deed;

(b) any proceedings taken by the Trustee at any time seeking a judgment or order declaratory of the rights or obligations of any Noteholder or any of the parties to this Deed;

(c) the right to take proceedings in respect of any breach or threatened breach of, or to compel or enforce performance of, any of the covenants, undertakings and obligations of the Company under this Deed other than in relation to the payment of Note Obligations prior to the Company entering Liquidation;

(d) the right to take proceedings under the Constitution; or

(e) the right to take proceedings for the Liquidation of the Company for failure to redeem a Note, in any circumstances where the Conditions or this Deed specifically give that power to the Trustee.

8.5 No subordination of Trustee's Fees

Nothing in this Deed shall subordinate the liability of the Company to the Trustee to pay all fees and outgoings of the Trustee arising out of its duties as Trustee under this Deed including any right of the Trustee to be indemnified under this Deed, nor prevent the Trustee from demanding, pleading, seeking to enforce or enforcing its rights against the Company in respect of that liability.

8.6 Liquidation

Upon the Company entering Liquidation:

(a) subject to the succeeding provisions of this clause 8.6, each Note will be due to be redeemed for an amount equal to the Redemption Amount of the Note calculated at the date of the Company entering Liquidation;

(b) no Noteholder nor the Trustee shall be entitled to receive payment from the Liquidator or the Company (including by way of set off or counterclaim) of any Notes Obligations then outstanding until all Finance Debt has been paid in full. If any such payment or benefit by way of set off is received by a Noteholder or constitutes a voidable preference, the amount or benefit received shall be held upon trust by the Noteholder for the Trustee and shall be paid by the Noteholder to the Trustee upon trust for the purpose of being applied as provided in clause 8.6(d);

(c) any proof of debt or other claim (including by way of set off) made by the Trustee in respect of a Note Obligation shall be made subject to the Trustee acknowledging the priority for payment of all Finance Debt and shall be limited to the Redemption Amount and Unpaid Interest;

(d) any amounts received by the Trustee from the Noteholder under clause 8.6(b) shall be received by it on trust to be applied:

(i) first in or towards payment or satisfaction of the costs, charges, expenses and Liabilities incurred by it in the execution of the trusts of this Deed (including any unpaid remuneration);

(ii) secondly, in or towards payment of the claims of those persons who the Liquidator determines, as at the date of the Company entering Liquidation, were Finance Creditors to the extent that those claims have been admitted to proof in the Liquidation (and have not been satisfied out of the other resources of the Company) but excluding interest accruing on those claims after the commencement of the Liquidation;

(iii) thirdly, in or towards payment pari passu and rateably the Redemption Amount of all Notes remaining unpaid and any other obligations of the Company which rank pari passu with the Note Obligations; and

(iv) fifthly, the balance, if any in payment to the Liquidator.

(e) The trust mentioned in clause 8.6(d) may be performed by the Trustee or any Noteholder paying over to the Liquidator for the time being the relevant amounts received by the Trustee or the Noteholder on terms that the Liquidator is to distribute those amounts in accordance with the ranking of priority or payment set out in this Deed. The receipt of the Liquidator will be a good discharge to the Trustee or any Noteholder for the performance of that trust.

8.7 No Individual Enforcement by Noteholders

(a) Only the Trustee may enforce the provisions of this Deed and the Notes (including without limitation applying for Liquidation, lodging a proof or claim or seeking damages).

(b) No Noteholder may:

(i) exercise or enforce the interest, right, remedy or power (as applicable); nor

(ii) waive or vary the interest, right, remedy or power (as applicable),

against or in relation to the Company provided for in, or arising under or as a result of a breach of, this Deed or prove in the winding up of the Company.

8.8 Trustee and Indemnity

The Trustee need not take any such proceeding unless it is indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may thereby render itself and all costs, charges, damages and expenses which it may incur by so doing.

9. REMUNERATION OF TRUSTEE

9.1 Fee

The Company shall pay to the Trustee by way of remuneration for its services as trustee:

(a) an establishment fee of $4,000 (GST exclusive); and

(b) an ongoing administration fee of $10,000 per annum (GST exclusive) where the total value of the Notes does not exceed $5 million, in equal instalments payable quarterly in arrears on the last Business Day of June, September, December and March provided however that all fees in this clause 9 will be indexed annually by any increase in Consumer Price Index.

9.2 Expenses

Without limiting the generality of the other provisions of this Deed, the Company will on demand pay all costs charges liabilities and expenses which are reasonable in amount and properly incurred by the Trustee, or its Delegate properly appointed under clause 10.5 (other than costs, charges, liabilities and expenses which are of an overhead or administrative nature) including, without limitation, legal costs (on a full indemnity basis) and any stamp or other duty:

(a) in or about the preparation, execution and amendment of this Deed;

(b) in or in connection with the carrying out by the Trustee or a Delegate of any right, power or privilege conferred by this Deed or by law conferred on the Trustee or upon any Noteholder, (including without limitation in respect of any waiver or consent sought by the Company);

(c) in or in connection with the transfer of Notes;

(d) in or in connection with any breach or default in the observance or performance by the Company of the covenants, obligations and conditions of this Deed;

(e) in or in connection with the convening, holding and carrying out of any directions or resolutions of any meeting of Noteholders; and

(f) in or in connection with any actual or contemplated legal proceedings (including without limitation any application for directions) brought by or against the Trustee, or in which the Trustee is otherwise involved or any advice sought by the Trustee in relation to any such legal proceedings from any legal, accounting or other professional advisors,

('the **Expenses**').

9.3 Indemnity

Subject to Section 283DA of the *Corporations Act*, the Company hereby indemnifies and agrees to keep indemnified the Trustee in respect of the Expenses. This indemnity is in addition to any indemnity allowed by law, but does not extend to costs, charges (including all duties, taxes and any fines or penalties in respect of a charge), liabilities or expenses arising from the Trustee's own fraud, negligence or breach of trust or that of any attorney, employee, agent or person (including a Delegate) appointed by it under this Deed. The Trustee may retain and pay out of any moneys in its hands arising therefrom (in priority to any claim by a Noteholder) all sums necessary to give effect to or satisfy such indemnity.

9.4 Advance by Company

Without limiting the generality of clause 9.3, the Trustee appointed by it under this Deed may, in any case where it is entitled under clause 9.3 to be indemnified by the Company if it incurred a cost, charge (including all duties, taxes and any fines or penalties in respect of a charge), liability or expense, require the Company to advance to it before that cost, charge (including all duties, taxes and any fines or penalties in respect of a charge), liability or expense is incurred a sum sufficient to cover that cost, charge, liability or expense. A certificate signed by an authorised officer of the Trustee stating the amount of any advance requested under this clause will in the absence of manifest error be conclusive and binding on the parties to this Deed.

9.5 Priority of Trustee entitlements

All remuneration and payments referred to in this clause 9 will be paid in priority to any claim by any Noteholder and will continue to be payable until the trusts of this Deed are finally wound up and whether or not the trusts of this Deed are in the course of administration by or under the order of any court and the Trustee may retain and pay to itself in priority to any claim by any Noteholder all such remuneration and payments out of any moneys for the time being in its hands on the trusts of this Deed.

9.6 No set-off or reduction

To the maximum extent permitted by law, the Company shall pay all fees or other amounts payable to the Trustee under clause 9 without any set off or counterclaim and free and clear of and without any deduction or withholding for or on account of any taxes, duties or other imposts.

10. TRUSTEE'S POWERS AND DUTIES

10.1 Powers

Subject to this Deed, the Trustee has all the powers that is legally possible for a natural person or corporation to have in connection with the exercise of its powers under this Deed.

10.2 Determination by Trustee

The Trustee may as between itself and the Noteholders determine all questions and matters of doubt arising in relation to any of the provisions of this Deed and every such determination whether made upon a question actually raised or implied in the acts or proceedings of the Trustee shall be conclusive unless a court of competent jurisdiction otherwise orders.

10.3 Waiver and application to Court

The Trustee may whenever it thinks fit and so long as it is not detrimental to the interests of the Noteholders:

(a) waive on any terms or conditions any breach by the Company of any of the covenants or obligations binding upon the Company under this Deed or the Conditions; and

(b) apply to any court for directions under Part 2L.8 of the *Corporations Act* or in relation to any question of law or fact and assent to and approve of or oppose any application to any court made by or at the instance of any Noteholder.

10.4 Trustee may act on advice

The Trustee may in relation to this Deed act or decline to act on the advice or opinion of or any information obtained from any barrister, solicitor, accountant, valuer, surveyor, broker, auctioneer or other expert and the Trustee will not be responsible or liable for any loss occasioned by its acting or declining to act in good faith on any such advice, opinion or information.

10.5 Appointment of Delegates

In addition to the appointment referred to in clause 2.1, the Trustee may appoint in writing from time to time a Delegate to undertake, perform or discharge any of the duties, powers, discretions or other functions of the Trustee under this Deed. Where more than one corporation is appointed as the delegate of the Trustee to undertake, perform or discharge the same duty, power, discretion or other function of the Trustee under this Deed, the corporations so appointed shall act jointly and severally.

10.6 Dealing with Delegates

The Trustee may by the terms of any appointment of a Delegate under clause 10.5 include provisions for the protection and convenience of persons dealing with that Delegate as the Trustee thinks fit. Notwithstanding those provisions, the Trustee will be liable, for any act or omission of that Delegate. The Delegate may be a Related Body Corporate of the Trustee.

10.7 Trustee may take action

Subject to the provisions of this Deed, the Trustee may at any time on behalf of Noteholders take any action or proceeding against the Company in the event of a breach by the Company of this Deed, and the Conditions in relation to a Noteholder's Notes.

11. DISCRETION OF TRUSTEE

The Trustee has, as regards all the powers and authorities and discretions vested in it by this Deed, an absolute and uncontrolled discretion as to the exercise of that discretion in all respects and, in the absence of its fraud, negligence or breach of trust (or the fraud, negligence or breach of trust of any attorney, employee, agent or person (including a Delegate) appointed by it under this Deed), the Trustee will not be in any way responsible for any loss, damage, cost or expense that may result from the exercise or non-exercise of that discretion.

12. LIABILITY OF TRUSTEE

12.1 Capacity of Trustee

The parties acknowledge and agree that the Trustee enters into this Deed as trustee for Noteholders under this Deed and in no other capacity.

12.2 Exclusion of Liability

Subject to clause 12.6, the Trustee will not be under any liability whatsoever under this Deed.

12.3 Liability for acts of Delegates

If the Trustee appoints a Delegate:

(a) the Delegate is not the delegate or agent of the Trustee in its personal capacity;

(b) the Delegate cannot by its acts or omissions make the Trustee liable in its personal capacity, and no act or omission of the Delegate will of itself by considered the fraud, negligence or breach of trust by the Trustee for the purposes of clause 12.2.

12.4 Exclusion of Responsibility or Liability

Subject to clause 12.6 and the *Corporations Act* the Trustee:

(a) is not responsible or liable in respect of moneys subscribed by applicants for Notes or bound to see to the due application of those moneys; and

(b) is not responsible or liable to pay or satisfy any of its obligations under this Deed, and has no liability to the Company, the Noteholders or any other person, except to the extent of the Trustee's right of indemnity out of the Trust Assets.

12.5 No Action for Shortfall

If the Trust Assets are insufficient, neither the Company, the Noteholders nor any other person (subject to clause 12.6) may seek to recover any shortfall by bringing proceedings against the Trustee personally and may not seek the appointment of a liquidator, administrator, receiver or similar person to the Trustee or prove in any liquidation, administration or arrangement of or affecting the Trustee.

12.6 Fraud, Negligence, Breach of Trust, Breach of Duty

The Trustee is liable personally and is not released to the extent that a liability under this Deed arises out of the Trustee's own fraud, negligence, breach of trust or breach of duty which disentitles it from an indemnity out of the Trust Assets in relation to the relevant liability.

12.7 Paramountcy in Inconsistency

Notwithstanding any other provision of this Deed, the liability of the Trustee is limited by the provisions of this clause 12. In the event of any inconsistency with any other provision of this Deed, these clauses are paramount.

13. RETIREMENT AND REMOVAL OF TRUSTEE AND APPOINTMENT OF NEW TRUSTEE

13.1 Retirement

The Trustee may retire at any time (with or without giving any reason for its retirement) after the expiration of not less than 60 days' notice in writing to the Company of its intention so to do or such shorter period as is agreed to by the Company. The retirement will not take effect until a Trustee Company has been appointed as trustee in its stead.

13.2 Appointment of new Trustee

Subject to clause 13.3 the power of appointing a new trustee of this Deed is vested in the Company but a trustee of this Deed must not be appointed unless:

(a) the new trustee is a Trustee Company; and

(b) it has undertaken to the Company or any other party in whose favour the undertaking is to be made or acknowledgment is to be given to comply with any undertakings or confirm any acknowledgments previously given by a Trustee under this Deed.

13.3 Appointment by Company

If when the period of notice referred to in clause 13.1 expires a new trustee has not been appointed, the Trustee may at any time thereafter and so long as an appointment has not been made by the Company under clause 13.2 appoint by deed under its seal a Trustee Company willing to act as new trustee of this Deed and that appointment will be effective without the need for approval of the Noteholders.

13.4 Removal

The Company may remove the Trustee from office by notice in writing addressed to the Trustee if:

(a) the Trustee ceases to be a Trustee Company;

(b) an Extraordinary Resolution of Noteholders determines that the Trustee should be removed;

(c) the Trustee ceases to carry on business (other than in its capacity as trustee of another trust), enters into a scheme of arrangement (other than for the purposes of or in connection with a solvent reconstruction or amalgamation) or goes into liquidation, provisional liquidation or administration or has a receiver or receiver and manager appointed over any part of the assets or undertakings of the Trustee (not being assets or undertakings of the Trustee held in its capacity as trustee of another trust) which is not removed or withdrawn within 30 days after the date of the appointment;

(d) the Trustee defaults in performing or observing any of its obligations under this Deed and:

(i) if that default is incapable of remedy and has had or is likely to have a material adverse effect on the ability of the Company to perform or observe its obligations to Noteholders; or

(ii) if that default is a material default and is capable of remedy, that default has not been remedied within 10 Business Days of receiving written notice of the default from the Company requiring that default to be remedied; or

(e) the Trustee has repeatedly defaulted in the performance or observance of any of its obligations under this Deed and the Company has given notice in writing in respect of those defaults.

13.5 No removal without new appointment

The Company may not remove the Trustee pursuant to clause 13.4 until the Company has appointed a new trustee of this Deed which is a Trustee Company.

14. FURTHER POWERS OF TRUSTEE

14.1 Trustee may hold Notes

Subject to Section 283AC of the *Corporations Act*, nothing in this Deed will be deemed to prohibit any Trustee or any Related Body Corporate or director of the Trustee (all in this clause, where the context permits, being included in the expression 'Trustee') from being a Noteholder in the Company or in any of its subsidiaries or from acting in any representative capacity for a Noteholder and in particular and without prejudice to the generality of the foregoing it is expressly declared that:

(a) the Trustee may so act on its own account or as executor, administrator, trustee, receiver, committee, guardian, attorney or agent or in any other fiduciary, vicarious or professional capacity nor shall the acting in any such capacity be deemed a breach of the obligations arising out of the fiduciary relationship between the Trustee on the one hand and the Company or any Related Body Corporate of the Company on the other or the Trustee and the Noteholders hereby established or otherwise imposed or implied by law; and

(b) the Trustee will not by reason of its fiduciary capacity be precluded from making any contracts or entering into any transactions with the Company or any Related Body Corporate of the Company or with itself in any other capacity (including without limitation its personal capacity) and without prejudice to the generality of these provisions it is expressly declared that such contracts and transactions include any contract or transaction in relation to the subscription or placing of or any dealing with any stocks, shares, debenture stock, debenture, notes or other security of the Company or Related Body Corporate or of any other company in which the Company or any Related Body Corporate is interested and the acceptance of any office or profit from the Company or any Related Body Corporate or any contract loan or deposit or other contract or transaction which any person or company not being a Trustee of this Deed could or might have entered into with the Company or any Related Body Corporate or with itself as Trustee including the customary share of brokerage and usual banker's profit and the Trustee shall not be accountable either to the company or any of the Company's Related Bodies Corporate or the Noteholders for any profits arising from any such contracts transactions or offices.

14.2 Trustee may rely on certificate

The Trustee is:

(a) at liberty to accept and rely on a certificate signed by the chairman or any two directors of the Company as the case may be as to any fact or matter as conclusive evidence thereof and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the person so certifying commercially desirable and not detrimental to the interests of the Noteholders as conclusive evidence that it is so;

(b) entitled to accept and act on any information, statement, certificate, report, balance sheet or account supplied by the Company or any Related Body Corporate of the Company or any director, secretary, Auditor or duly authorised officer of the Company or of any of the Company's Related Bodies Corporate;

(c) entitled to accept and act upon the statements and opinions contained in any statement, certificate, report, balance, sheet or account given under this Deed as conclusive evidence of its contents,

and the Trustee will not be bound:

(d) to call for further evidence other than that certificate, statement, report, balance sheet or account; or

(e) to enquire as to the accuracy or completeness of such a document; and

will not be responsible for any loss, damage, cost, expense or liability that may be occasioned by relying on such a document.

14.3 Trustee not bound to give notice

The Trustee is not bound to give notice to any person or persons of the execution hereof and the Trustee is not bound to take any steps to ascertain whether any event has happened upon the happening of which the Notes hereby constituted become immediately payable.

15. POWER OF AMENDMENT

15.1 Amendment without Noteholder consent

The Company and the Trustee are entitled without any authority or assent on the part of the Noteholders to amend or add to this Deed if in the opinion of the Trustee such amendment or addition:

(a) is of a formal, minor or technical nature;

(b) is made to correct a manifest error;

(c) is expedient or requisite to enable the Notes to be listed or remain listed for quotation on any Stock Market or to be offered for subscription or sale under the laws for the time being in force in any place; or

(d) in the opinion of the Trustee is not likely (taken as a whole and in conjunction with all other modifications, if any, to be made contemporaneously therewith) to be materially prejudicial to the interests of the Noteholders and two directors of the Company on behalf of the board of directors of the Company have so certified to the Trustee. The Trustee in determining whether or not such amendment or addition is materially prejudicial to the interests of the Noteholders may act upon the advice or the opinion of or any information obtained from an expert (at the expense of the Company) and will not be responsible for any loss occasioned by its acting or declining to act on such advice, opinion or information.

15.2 Amendment with Extraordinary Resolution

The Company and the Trustee may with the authority of an Extraordinary Resolution make any amendment or addition to this Deed.

16. REGISTER OF NOTEHOLDERS

16.1 Maintenance of Register

The Company must establish and maintain or cause to be established and maintained a Register in accordance with section 168 of the *Corporations Act* and there must be entered into the Register:

(a) all information required by section 171 of the *Corporations Act*;

(b) the number of Notes held by each Noteholder and the Principal Amount of those Notes;

(c) the date of issue or transfer of those Notes; and

(d) any other particulars which the Company thinks fit or which the Trustee requires.

16.2 Alteration of Register

The Register will be altered accordingly on receipt of details of any change of name or address of Noteholder notified in writing to the Company and accompanied in the case of change of name by any evidence which the Company may reasonably require.

16.3 Register to be kept open

Subject to clause 16.4 and to any instrument of exemption granted by the Australian Securities and Investments Commission to the Company from the provisions of Section 168 of the *Corporations Act* ('Instrument of Exemption') the Register will remain open at all reasonable times during normal business hours for inspection by the Trustee and each Noteholder or any person authorised in writing by either of them. Upon requisition from a Noteholder, the Company must provide that Noteholder within 14 days with a document setting out that Noteholder's registry entry in the Register (a 'Noteholder Statement'). This Trust Deed constitutes an acknowledgment of indebtedness in respect of all the Notes on issue at any time. A Noteholder Statement does not constitute a certificate of title or an acknowledgment of debt. The Company must provide the Trustee with a copy of the Register within two Business Days of a request by the Trustee (or such lesser time as is necessary to enable the Trustee to comply with its obligations under this Deed).

16.4 Closure of Register

On giving a notice by advertisement or otherwise as may be required by law or, whilst the Notes are listed for quotation on the Stock Market, by the requirements of the Stock Market Authority, the Company may from time to time close any Register for any period or periods not exceeding 30 days in aggregate in any calendar year.

16.5 No trust

No notice of any trust express implied or constructive will be entered in any Register.

16.6 Delegation

The Company may delegate any of its powers and obligations in respect of the Registers.

17. NOTICES

17.1 Form of Notices

A notice, approval, consent or other communication ('Communication') in connection with this Deed or the Notes;

(a) must be in writing; and

(b) must:

(i) in the case of the Trustee and the Company, be left at the address of the addressee or sent by prepaid ordinary post (airmail if posted to or from a place outside Australia) to the address of the addressee or sent by facsimile with the details specified in this clause or if the address notifies another address or facsimile number then to that address or facsimile number:

Company:

Address:	Silver Chef Limited 14 Finchley Street, Milton Qld 4064
Fax:	07 3335 3399
Attention:	Mr Allan English

Trustee:

Address:	The Public Trustee of Queensland Trustee House 444 Queen Street Brisbane QLD 4000
Fax:	07 3213 9150
Attention:	Mr Frank Prostamo

(ii) in the case of a Noteholder (other than a joint Noteholder), be sent through the post in a prepaid letter addressed to that Noteholder at his registered address (but if that registered address is outside Australia the Communication must be sent by airmail); or

(iii) in the case of joint Noteholders, be sent through the post in a prepaid letter addressed to the Noteholder whose names stands first in the register in respect of those joint Noteholders at his registered address (but if that registered address is outside Australia the Communication must be sent by airmail).

17.2 Effective upon receipt

Unless a later time is specified in it, a Communication takes effect from the time it is received.

17.3 Timing of Receipt

A letter or facsimile is taken to be received:

(a) in the case of a posted letter, on the third (seventh, if posted to or from a place outside Australia) day after posting; and

(b) in the case of a facsimile, on production of a transmission report by the machine from which the facsimile was sent which indicated that the facsimile was sent in its entirety to the facsimile number of the recipient notified for the purpose of this clause.

18. CONFIDENTIALITY

18.1 Non disclosure

All information and other matters provided to or obtained by the Trustee, a Delegate or any officer, employee, professional adviser or other consultant of the Trustee on a confidential basis:

(a) under, in connection with or related to this Deed; or

(b) in the performance of any obligation, duty or power of the Trustee under this Deed,

(collectively the 'Information') is confidential to the Company and may not be disclosed to any person other than as set out in clause 18.2.

18.2 Permitted disclosure

Information which is in the public domain is not required to be kept confidential. Information may be disclosed:

(a) as (but only to the extent) required by this Deed or in connection with any obligation, duty or power of the Trustee under this Deed, a law or any judicial or regulatory body or authority;

(b) to those officers, employees, Delegates and professional advisers of the Trustee to whom it is absolutely necessary to reveal the Information or any part of it;

(c) to a person approved of in writing by the Company; or

(d) if the Company is listed on any Stock Market, to relevant Stock Market Authority to enable the Company or the Trustee to comply with the relevant Listing Rules.

18.3 Confidentiality

The Trustee is required to use best endeavours to ensure that every person to whom Confidential Information is given under clause 18.2 keeps that Information confidential.

19. MEETINGS OF NOTEHOLDERS

The Trustee or the Company may call a meeting of Noteholders in the manner provided in this clause 19 and those meetings will be conducted and have the powers as are set out in this clause 19 provided however if there is any inconsistency between the provisions of this clause and the Section 283EA of the *Corporations Act*, the *Corporations Act* will prevail.

19.1 Convening Meetings

The Trustee or the Company may at any time summon a meeting of Noteholders. The Company must summon a meeting of Noteholders if requested in writing to do so by persons holding Notes representing not less than 10% in value of the Principal Amount. Meetings are to be held in Brisbane or at such other place as the Trustee may determine or approve.

19.2 Notice

Noteholders must be given at least 14 days' notice of a meeting but if the meeting is to consider an Extraordinary Resolution 21 days' notice of the meeting shall be required. The period of notice is to be determined exclusive of the day on which the notice is served or deemed to be served and of the day for which it is given.

19.3 Provision of Notices

Notices to Noteholders must be given in the manner provided by the Deed. A notice of meeting must specify the place day and hour of meeting and the general nature of the business to be transacted but it is not necessary to specify in the notice the precise terms of the resolutions to be proposed. A copy of the notice must be promptly sent by post to the Trustee unless the meeting has been convened by the Trustee and to the Company unless the meeting has been convened by the Company.

19.4 Failure to give notice does not invalidate

The accidental omission to give notice to or the non-receipt of notice by any of the Noteholders does not invalidate the proceedings at any meeting but where notice of a meeting convened by the Company or Trustee is not received by the other of them all business transacted and all resolutions passed at the meeting shall be void and of no effect unless such notice is waived by such other of them.

19.5 Quorum

At any meeting a quorum for the transaction of business shall be formed by 2 Noteholders present in person or by proxy or being a corporation by proxy or duly authorised representative holding Notes in aggregate representing at least 10% in value of the Principal Amount.

19.6 Adjournment in the absence of quorum

If within 30 minutes from the time appointed for the meeting a quorum is not present the meeting convened upon the requisition of Noteholders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than 14 days thereafter or in the case of an adjourned meeting of Noteholders at which an Extraordinary Resolution is to be submitted 21 days thereafter and to such place as may be appointed by the Chairman. At such an adjourned meeting the Noteholders present and entitled to vote whatever the value of the Notes held by them will be a quorum for the transaction of business including the passing of Extraordinary Resolutions. Notice of any adjourned meeting of Noteholders at which an Extraordinary Resolution is to be submitted must be given in the same manner as of an original meeting and such notice must state that the Noteholders present at the adjourned meeting whatever their number and the amount of Notes held by them will form a quorum.

19.7 Chairman

The Trustee or some other person nominated in writing by the Trustee is entitled to be Chairman at every meeting but if no such person is nominated or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting the Noteholders present may choose one of their number to be Chairman. The Trustee and the solicitors to the Trustee and any director or officer of a corporation being the Trustee and any director and the secretary and solicitors of the Company and any other person authorised by the Company may attend any meeting and be heard.

19.8 Adjournment by Chairman

The Chairman may with the consent of any meeting at which a quorum is present (such consent being obtained if the Trustee so requires on a poll) and must if directed by the meeting so resolving on a poll, adjourn the meting from time to time and from place to place but no business may be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

19.9 Voting

At any meeting a resolution put to the vote of the meeting will be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman, the Trustee or the Company or in writing by one or more Noteholders present in person or by proxy and holding or representing one-twentieth in value of the Principal Amount. Unless a poll is so demanded a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost is conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

19.10 Poll

If a poll is duly demanded it must be taken in such manner as the Chairman may direct and the result of such a poll will be deemed to be the resolution of the meeting at which the poll was demanded.

19.11 Casting Vote

In the case of an equality of votes whether on a show of hands or on a poll the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded is entitled to a casting vote in addition to the votes (if any) to which he may be entitled as a Noteholder.

19.12 Poll Demands

(a) A poll demanded on the election of a Chairman or on a question of adjournment is to be taken at the meeting without adjournment. A poll demanded on any other question is to be taken either immediately or at such time (not being more than thirty days from the date of the meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.

(b) The demand for a poll will not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

19.13 Voting entitlements

On a show of hands every Noteholder who being an individual is present in person or by attorney or being a corporation is present by proxy or attorney or by its authorised representative has one vote and on a poll every Noteholder who is present in person or by proxy has one vote for every Note with respect to which he is the registered holder.

19.14 Joint holders

In the case of joint registered holders of Notes the vote of the senior who tenders a vote whether in person or by proxy is to be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority is determined by the order in which the names appear in the Register of Noteholders in respect of the joint holding.

19.15 Noteholder entitled to more than one vote

On a poll votes may be given either personally or by proxy and a Noteholder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

19.16 Proxy

The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing or if the appointor is a corporation either under its

Common Seal or under the hand of an officer or attorney so authorised. A person appointed to act as proxy need not be a Noteholder.

19.17 Noteholder which is a corporation

A Noteholder which is a corporation may be represented at a meeting of Noteholders or may vote at the meeting or on a poll or in relation to any resolution of Noteholders by proxy or by attorney or by representative appointed in accordance with the provisions of Section 250D of the *Corporations Act* as if references to 'member' or 'members' in that section were references to 'Noteholder' or 'Noteholders'.

19.18 Deposit of Proxies

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power or authority must be deposited at such place at the Trustee or the Company with the approval of the Trustee may in the notice convening the meeting direct or if no such place is appointed then at the registered office of the Company not less than 24 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for taking of the poll) at which the person named in the instrument proposes to vote and in default the instrument of proxy will not be treated as valid. No instrument appointing a proxy is valid after the expiration of 12 months from the date named in it as the date of its execution.

19.19 Proxy Instruments

An instrument of proxy may be in the usual common form or in such other form as the Company and the Trustee may approve and need not be witnessed. The proxy will be deemed to include the right to demand or join in demanding a poll. Unless the contrary is stated on the instrument of proxy, a proxy is valid for any adjournment of the meeting to which it relates.

19.20 Proxy Voting

A vote given in accordance with the terms of an instrument of proxy is valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Notes in respect of which the proxy is given provided that no notice in writing of such death insanity revocation or transfer has been received by the Company at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

19.21 Powers of meeting of Noteholders

Without limiting the rights of Noteholders, the Company and the Trustee pursuant to the Trust Deed, a meeting of the Noteholders has in addition to all other powers, the following powers exercisable by Extraordinary Resolution only:

(a) power to sanction the release of the Company from all or any part of their liability to pay the Principal Amount and interest owing upon the Notes;

(b) power to sanction any modification or compromise or any arrangement in respect of the rights of the Noteholders against the Company whether such rights shall arise under the Trust Deed, the Conditions or otherwise;

(c) power to assent to any modification of the provisions contained in this Deed or the Conditions and to authorise the Trustee to concur in and execute any supplemental deed embodying any such modification;

(d) power to give any sanction, direction or request which under any of the provisions of this Deed is required to be given with the consent of Noteholders;

(e) power to give any release in respect of anything done or omitted to be done by the Trustee; and

(f) power to remove a Trustee.

19.22 Extraordinary Resolution binding

An Extraordinary Resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Deed is binding upon all the Noteholders whether or not present at the meeting and each Noteholder is bound to give effect to it accordingly.

19.23 Extraordinary Resolution – definition

The expression 'Extraordinary Resolution' when used in this Deed means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with this Deed and carried by a majority consisting of the holders of Notes representing not less than 75% in value of the Principal Amount held by the holders of Notes who are present at the meeting in person, by proxy or representative.

19.24 Minutes

Minutes of all resolutions and proceedings at every meeting must be made and duly entered in the books to be from time to time provided for that purpose by the Company and any minute if purporting to be signed by the Chairman of the meeting at which a resolution was passed or proceedings were held or by the Chairman of the next succeeding meeting of Noteholders is prima facie evidence of the matters stated in it.

20. INSPECTION OF TRUST DEED

On receipt of a request from a Noteholder for a copy of this Deed, the Company must provide that Noteholder with a copy of the Deed within 21 days after the date that request is made. Copies of this Deed will be provided to the Noteholder at the Company's registered office in Brisbane unless the Company otherwise agrees.

21. APPLICABLE LAW

This Deed shall be construed and take effect in accordance with the law for the time being of Queensland.

SCHEDULE 1
Conditions of Notes

1. CONDITIONS

1.1 Issue Price

The Notes will:

(a) be paid for in full on application and prior to issue; and

(b) have an Issue Price per Note equal to the Principal Amount;

(c) have an entitlement, subject to these Conditions for each Note to convert in accordance with Condition 1.5;

(d) be transferable; and

(e) carry an entitlement to interest at the Interest Rate and to Redemption on the Maturity Date.

1.2 Interest and Redemption on Maturity

(a) Silver Chef shall pay accrued interest in arrears on each relevant Interest Payment Date to those persons who are Noteholders on the last relevant Record Date before that Interest Payment Date.

(b) For each Noteholder, interest accrues daily and, in the case of each Interest Period, the interest payable is calculated by:

(i) multiplying the Principal Amount of the Notes held by that Noteholder on the relevant Record Date by the Interest Rate;

(ii) dividing the resultant amount by 365;

(iii) multiplying the resultant amount by the actual number of days in the applicable Interest Period; and

(iv) rounding the resultant amount down to the nearest cent.

(c) Silver Chef's certificate as to the amount of interest that accrues and is payable on Notes is (in the absence of manifest error) sufficient evidence of the amount of interest due unless proven wrong.

(d) Unpaid interest on the Notes shall:

(i) remain owing and not form part of the principal owing to the Noteholder; and

(ii) bear interest at the same rate as interest is payable on the Principal Amount calculated daily and payable on each Interest Payment Date on Maturity Date.

(e) Silver Chef shall redeem all issued and uncancelled Notes on the Maturity Date. The Principal Amount on each Note to be redeemed on the Maturity Date shall be repaid in full by the Company on the Maturity Date (along with interest payable in accordance with Condition 1.2(a)), in accordance with and subject to the Conditions to the person who is the Noteholder on the relevant Record Date.

1.3 Early Redemption for Tax Event

If a Tax Event occurs, Silver Chef may in its absolute discretion and subject to the Noteholders' right to convert in Condition 1.5, elect to redeem all or some (pari passu) of the Notes on issue prior to the Maturity Date:

(a) with effect on the Early Redemption Date;

(b) by payment of an amount equal to the Early Redemption Amount in respect of each Note redeemed; and

(c) along with payment of any accrued and unpaid interest up to the Early Redemption Date,

provided that Silver Chef has made an Early Redemption Announcement within 15 days after determining that a Tax Event has occurred, and not less than 30 days prior to the proposed Early Redemption Date.

1.4 Early Redemption Announcement

An Early Redemption Announcement must:

(a) be made to ASX;

(b) state that Silver Chef will redeem the Notes, the Early Redemption Amount to be repaid, the basis upon which the Early Redemption Amount is calculated and the number of Notes to be redeemed;

(c) state the Early Redemption Date; and

(d) otherwise comply with any requirements of the Listing Rules and the Corporations Act as to contents and timing.

1.5 Conversion

(a) Silver Chef must send an Entitlement Notice to each Noteholder not more than 30 Business Days before and not less than 20 Business Days before each Conversion Date, within 15 days after a Takeover Event (and not otherwise where a Conversion Date occurs in a Takeover Period), or at such other times as are permitted by the Listing Rules.

(b) Provided that there has not been a Winding Up Event, and subject to Conditions 1.5(d), 1.5(f) and 1.6, a Noteholder may deliver a Conversion Notice (which shall be irrevocable) to Silver Chef at the address of the Register requiring the conversion of all of the Principal Amount of and rights attaching to a Note (other than payment of interest) towards payment in full of the subscription price for the number of Ordinary Shares determined in accordance with these Conditions including Conditions 1.8 and 1.9 at any time during the period of 15 calendar days after the date of an Entitlement Notice (the **Conversion Option**).

(c) Other than during a Takeover Period, Silver Chef must send a notice to each Noteholder that delivers a Conversion Notice for a Conversion that the Notes specified in each Conversion Notice will be converted into Ordinary Shares within 5 Business Days after expiry of the Conversion Option.

(d) Where the Conversion Date is a Business Day during a Takeover Period, then the Conversion Notice must be on a Business Day before the last day of the Takeover Period.

(e) On the occurrence of a Takeover Event, Silver Chef shall give notice of the occurrence of that event to the Trustee and to all Noteholders as soon as reasonably practicable and, in any event, within 5 Business Days of the date of occurrence of the Takeover Event.

(f) Where the Noteholder wishes to exercise its rights of Conversion on a date other than a date during a Takeover Period, then notwithstanding anything else in these Conditions, the Noteholder shall not have an entitlement to exercise its rights of Conversion other than:

(i) by delivering a Conversion Notice or Conversion Notices to Silver Chef in respect of no more than 50% of all Notes held by that Noteholder on 28 February 2007 or (if less than 50% of their Notes were converted on 28 February 2007) no more than 50% of Notes held by that Noteholder as at 28 February 2007, plus 50% of the number of additional Notes (if any) acquired by that Noteholder after 28 February 2007 and prior to 31 August 2007, on 31 August 2007.

(For the removal of doubt:

(A) a Noteholder who holds Notes on 28 February 2007 may convert no more than 50% of those Notes held at that date (in total) on 28 February 2007 and 31 August 2007; and

(B) a Noteholder who acquires Notes after 28 February 2007 may convert no more than 50% of those acquired Notes on 31 August 2007);

and

(ii) by delivering a Conversion Notice or Conversion Notices to Silver Chef in respect of any balance of Notes held by the Noteholder on 28 February 2008 or 31 August 2008.

(g) After notice of the occurrence of a Takeover Event has been given by Silver Chef to the Trustee and all Noteholders, the number of Ordinary Shares to which a Noteholder is entitled upon Conversion shall be equal to the number of Notes being converted multiplied by the Conversion Rate calculated in accordance wit the following formula:

$$\text{Conversion Rate} = \frac{\text{Issue Price}}{\text{Trading Price} \times 85\%}$$

provided that if the Trading Price is less than $1.00 per Ordinary Share, it shall be deemed to be $1.00 per Ordinary Share.

Where the total number of Ordinary Shares to be issued to a Noteholder by using the above formula includes a fraction, that fraction will be disregarded.

1.6 Issue of Ordinary Shares

Within 15 Business Days after the Conversion Date, Silver Chef must issue to the Noteholder that number of Ordinary Shares in the capital of Silver Chef in accordance with Condition 1.8 (subject to any adjustments in accordance with Condition 1.9) and such Ordinary Shares shall be in full satisfaction of the Principal Amount otherwise owing on the Notes which are the subject of the Conversion Notice.

1.7 Ranking of Ordinary Shares

The Ordinary Shares in the capital of Silver Chef issued upon the Conversion shall rank equally in all respects with all issued Ordinary Shares in the capital of Silver Chef at the Conversion Date, except that they will not be entitled to any dividend that has been declared or determined as at the Conversion Date, except that if the Conversion occurs after a dividend record date, the Ordinary Shares issued on such Conversion will not be entitled to that dividend.

1.8 Number of Ordinary Shares Issued on Conversion

(a) Subject to Conditions 1.5(f) and 1.9 and 1.13, where Silver Chef elects to issue Ordinary Shares on receipt of a Conversion Notice, the number of Ordinary Shares to which a Noteholder is entitled upon the Conversion of any of their Notes is equal to the number of Notes being converted multiplied by the Conversion Rate calculated in accordance with the following formula:

$$\text{Conversion Rate} = \frac{\text{Issue Price}}{\text{Trading Price x 85\%}}$$

provided that if the Trading Price is less than $1.00 per Ordinary Share, it shall be deemed to be $1.00 per Ordinary Share.

(b) Where the total number of Ordinary Shares to be issued to a Noteholder by using the formula in accordance with Condition 1.8(a) includes a fraction, that fraction will be disregarded.

1.9 Adjustments

Subject to the Listing Rules, the following applies:

(a) If there is a reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of Silver Chef prior to the Conversion Date, the number of Ordinary Shares in the capital of Silver Chef issued on Conversion shall be adjusted in the same proportion as the issued capital of Silver Chef is reorganised and in a manner which will not result in any additional benefits being conferred on the Noteholder which are not conferred on the shareholders of Silver Chef (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for Conversion of the Notes shall remain unchanged.

(b) The adjustments in this Condition 1.9 shall be determined by the Auditors acting as an expert and not as an arbitrator and the provisions of any applicable arbitration legislation are excluded to the fullest extent possible.

(c) The determination of the Auditors will be final and binding subject only to any adjustment necessary to correct the manifest error of objective fact or calculation apparent on the face of their determination.

(d) All costs and expenses of the Auditors must be paid by Silver Chef.

(e) Any adjustments made to the number of Ordinary Shares issued on Conversion pursuant to this Condition 1.9 will reflect the intention of Silver Chef that:

  (i) a likely consequence of the reorganisation of the issued capital of Silver Chef is an adjustment in the price at which Ordinary Shares will trade;

  (ii) provided that the price at which Ordinary Shares trade is not below $1.00 per Ordinary Share, there should be no reason to adjust the Conversion Rate formula set out in Condition 1.8; and

  (iii) any adjustment to the rights of Noteholders under this Condition should not result in any additional benefits being conferred on Noteholders which are not conferred on holders of Ordinary Shares.

1.10 Register conclusive

(a) Silver Chef must maintain or cause to be maintained a Register of Noteholders, which includes the information required under this Deed and the Corporations Act in relation to the Noteholders and the Convertible Notes.

(b) Subject to Condition 1.10(c), for the purposes of Conversion:

(i) the Register shall be conclusive of the identity of the Noteholder entitled to deliver a Conversion Notice in accordance with Condition 1.5;

(ii) Silver Chef shall not be affected by notice of any transfer of Notes where the transfer has not been registered on or before the Conversion Date;

(iii) the Register shall be conclusive as to the identity of the Noteholder on the Conversion Date for the purpose of determining who shall be issued ordinary shares pursuant to Condition 1.6; and

(iv) Silver Chef shall have no responsibility, duty or liability to issue ordinary shares to any person other than to the Noteholder shown on the Register at the relevant Conversion Date.

(c) If the Noteholder shown on the Register at the relevant Conversion Date is different from the Noteholder giving the Conversion Notice, that Conversion Notice shall be disregarded and shall have no effect for the purpose of Condition 1.5.

1.11 Purchase by Silver Chef

(a) Provided that no event of default has occurred or is continuing, Silver Chef may purchase all or any of the Notes on-market or by tender or by private contract at any price.

(b) Any Notes purchased by Silver Chef shall be cancelled and may not be resold or reissued, and will be without further liability to Silver Chef to the relevant Noteholders in respect of those Notes.

1.12 Participation in rights issue

If there is made to the Shareholders:

(a) an offer to subscribe for Ordinary Shares or other securities of Silver Chef (whether by way of renounceable or non-renounceable rights or otherwise); or

(b) an offer to purchase or subscribe for securities of any other corporation,

Silver Chef will, in the case of (a) procure or, in the case of (b), use its best endeavours to procure, that there is extended to each Noteholder the same offer that the Noteholder would have received if, immediately before the date of that offer (or, if the offer was made to Shareholders registered on a particular date, then immediately before that date) the Noteholder had converted all of the Noteholder's Notes to Ordinary Shares.

1.13 Bonus Shares

(a) If Silver Chef determines to make an issue of bonus shares, the right of each Noteholder is, from and after the date on which entitlement of Shareholders to participate in that issue of bonus shares are ascertained, altered to enable the Noteholder to convert the Notes held by the Noteholder in the manner and at the times referred to in the Conditions into the number of Ordinary Shares which would have been held by the Noteholder after that issue of bonus shares if that date were the Conversion Date of those Notes and the Notes held by the Noteholder on that date had been converted into, and the Noteholder then held, the number of Ordinary Shares determined in accordance with the Conditions (including any Ordinary Shares arising from any prior application of this Condition).

(b) Notwithstanding the foregoing, the number of Ordinary Shares into which a Note may be converted may not be altered in respect of any issue of bonus shares if the date on which entitlements of holders of Ordinary Shares are ascertained is after the Conversion Date.

(c) Any alterations made to the rights of Noteholders under Condition 1.13(a) will reflect the intention of Silver Chef that:

(i) a likely consequence of the issue of bonus shares is an adjustment in the price at which Ordinary Shares will trade;

(ii) provided that the price at which Ordinary Shares trade following the issue of bonus shares is not below $1.00 per Ordinary Share, there should be no reason to adjust the Conversion Rate formula set out in Condition 1.8; and

(iii) any adjustment to the rights of Noteholders under this Condition should not result in any additional benefits being conferred on the Noteholder which are not conferred on holders of Ordinary Shares.

1.14 Power of the Noteholders to direct Trustee

Upon the occurrence of an event of default, the Noteholders shall have the following powers exercisable by ordinary resolutions:

(a) to direct the Trustee to take any particular action under this deed or the Notes;

(b) to direct the Trustee to direct Silver Chef to redeem the Notes in full;

(c) to direct the Trustee to commence legal proceedings against Silver Chef to recover the Moneys Owing; and

(d) to direct the Trustee to take such other action as the Noteholders deem appropriate to recover the Moneys Owing,

and the Trustee shall comply with those directions subject to the terms of this deed and the Conditions.

1.15 Record Date

The Record Date:

(a) for the making of interest payments shall be 7 calendar days (excluding the Interest Payment Date itself) before the Interest Payment Date; and

(b) for the making of any other payment (including payment of the Principal Amount on the Maturity Date or the Early Redemption Amount on the Early Redemption Date) shall be 7 calendar days (excluding the date of payment) before the Maturity Date, the Early Redemption Date or other payment date; and

(c) for issuing ordinary shares in Silver Chef after a Conversion Date shall be the Conversion Date; or, in each case, such other date required by the Listing Rules or the SCH Business Rules.

1.16 Method of payment

(a) Subject to Conditions 1.5 to 1.9 and 1.16(c), any interest or other monies payable on or in respect of any Convertible Notes must be paid in Australian dollars only:

(i) by payment of cheque marked 'not negotiable' and sent through the post to the address of the Noteholder on the Register or other person entitled thereto, or where the Convertible Notes are held by joint Noteholders to the address of the Noteholder whose name stands first on the Register in respect of those Convertible Notes; or

(ii) by deposit, including by way of telegraphic transfer, to such account with any ADI (as that expression is defined in the Banking Act 1959 (Cth)) in Australia as the Noteholder (or, where the Convertible Notes are held by joint Noteholders, the Noteholder whose name stands first on the Register), by written notice to Silver Chef may direct; or

(iii) by any other method of transferring money approved by the Trustee from time to time.

(b) Every cheque or payment referred to in Condition 1.16(a)(i) will be sent at the risk of the person entitled to the moneys represented by the cheque and payment will be deemed to have been made when the cheque is posted or the deposit is made in accordance with this clause. The cost of any replacement cheque shall be at the expense of the Noteholder. The Noteholder will be wholly responsible for any account details provided to Silver Chef or any error or omissions made by Silver Chef in respect of that payment. Any cheque returned to Silver Chef, or any cheque not presented by a Noteholder, shall be treated by Silver Chef as unclaimed money.

(c) If so requested by the Trustee, Silver Chef must make any payments payable to the Trustee under this Deed:

(i) at a place in Australia and in a manner reasonably required by the Trustee; and

(ii) in immediately available funds and without setoff, counterclaim, conditions or, unless required by law or the provisions of this deed, deductions or withholdings.

1.17 No gross up

If Silver Chef is required by law to deduct or withhold Taxes from any payment to the Trustee or a Noteholder it must:

(a) make the required deductions and withholdings;

(b) pay in accordance with the relevant law the full amount deducted or withheld;

(c) deliver to the Trustee or the Noteholder (as the case may be) the receipt for each payment; and

(d) reduce the amount of the payment due to the Trustee or the Noteholder (as the case may be) by an amount equal to the deduction or withholding and the payment of such reduced amount shall be in full satisfaction of Silver Chef's relevant payment obligation.

1.18 Joint Noteholders

In the case of Notes being held by more than one person, the following shall apply:

(a) if several persons are entered in the Register as joint Noteholders in respect of a Note the receipt by any one of such persons for the payment or satisfaction of any Moneys Owing from time to time payable or repayable to the joint Noteholders will be an effective discharge by the Company of its obligations in relation to that Note;

(b) Silver Chef will not be bound to register more than three persons as the joint holders of any Notes subject to Condition 1.20(k);

(c) subject to the Conditions, all of the joint Noteholders in respect of any Note must join in any:

(i) application to transfer the relevant Note from one Register to another Register; or

(ii) transfer of the relevant Note.

(d) in the case of the death of any one of the joint Noteholders, the survivors will be the only persons recognised by Silver Chef as having any title to or interest in the Notes registered in their names jointly.

1.19 Non-resident Noteholders

Where Notes are held by, or on behalf of, a person resident outside the Commonwealth of Australia, then, despite anything to the contrary contained in or implied by the Conditions, it is a condition precedent to any right of the Noteholder:

(a) to receive payment of the Principal Amount; or

(b) to receive payment of any interest on the Convertible Notes,

that all necessary Authorisations (if any) and any other statutory requirements which may then be in existence are obtained at the cost of the Noteholder and satisfied, provided that Silver Chef acknowledges that section 128F of the Income Tax Assessment Act 1936 has been satisfied in respect of the Notes.

1.20 Transfer of Convertible Notes

(a) A Noteholder is entitled to transfer a Note by:

(i) an instrument in writing in any usual or common form or in such other form as Silver Chef may approve; or

(ii) a proper ASTC transfer or any other method of transferring or dealing in securities introduced by ASX or operated in accordance with the SCH Business Rules or Listing Rules, and in any such case recognised under the Corporations Act.

(b) If Silver Chef participates in a computerised or electronic securities transfer, settlement and registration system recognised by or permitted by the Corporations Act:

(i) Silver Chef must comply with and give effect to the rules of that system; and

(ii) the only document required to be completed and delivered by Silver Chef in relation to a transfer of the Notes is such document (if any) as those rules require to be so completed and delivered.

(c) A written transfer instrument must be forwarded for registration to the address of the Register and together with such other evidence as the Directors may require to prove:

(i) the title of the transferor, or the Noteholder's right to transfer the Notes;

(ii) the due execution of the transfer; and

(iii) the due compliance with the provisions of any relevant statute relating to stamp duties, and if satisfied with such evidence and that the transferor has otherwise complied with this Condition 1.20, Silver Chef will register the transfer and recognise the transferee as the Noteholder entitled to the Notes comprised in the transfer.

(d) A written transfer instrument must be:

(i) executed by the transferor;

(ii) executed by the transferee; and

(iii) endorsed or accompanied by an instrument executed by the transferee to the effect that the transferee agrees to accept the Notes subject to the terms and conditions on which the transferor held them, to become a Noteholder and to be bound by this deed.

Subject to the Corporations Act, the written transfer instrument may comprise two or more documents.

(e) Except in the case of a proper ASTC transfer, a transferor of Notes remains the owner of the Notes transferred until the transfer is registered and the name of the transferee is entered in the Register in respect of the Notes, and the transferee of Notes on being entered in the Register shall have all the rights and obligations which the transferor had and all the rights and obligations of a Noteholder under this deed.

(f) Subject to the Listing Rules and the Conditions, the Directors of Silver Chef may in their absolute discretion refuse to register:

(i) any transfer that is not in accordance with the Conditions; or

(ii) any transfer of a Note in favour of a person who is known to Silver Chef to be a minor or of unsound mind, but Silver Chef will not be bound to enquire as to the age or soundness of mind of any transferee.

The Directors shall not be bound to give any reason for refusing to register any transfer and their decision shall be final, conclusive and binding.

(g) No instrument of transfer will be registered by Silver Chef during any period when the Register is closed.

(h) Silver Chef must:

(i) register all valid, registrable transfer forms (if any) and transfers (if any); and

(ii) mark or note transfer forms (if any), without charge.

(i) Any power of attorney granted by a Noteholder may be lodged, produced or exhibited to Silver Chef or any of its officers and will, as between Silver Chef and the Noteholder who granted the power of attorney:

(i) be taken and deemed to continue and will remain in full force and effect; and

(ii) may be acted upon, unless express notice in writing of its revocation or of the death of the Noteholder who granted it is lodged with Silver Chef.

(j) All instruments of transfer which are registered or surrendered to Silver Chef will remain the property of Silver Chef and will be retained by it for a period of 3 years or such minimum period or in such alternative form as may be permitted by law after receipt. However, any instrument of transfer which the Company declines to register will (except in the case of fraud or suspected fraud) be returned on demand to the person depositing the instrument.

(k) No transfer of a Note may be made to more than 3 transferees jointly unless the transferees are the legal personal representatives or trustees of a deceased Noteholder.

1.21 Form and Title

(a) The Notes are constituted by, and owing under, this Deed. Each entry in the Register constitutes a separate and individual acknowledgment to the relevant Noteholder of its entitlement to the Notes.

(b) Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the registered holder of the Note, subject to rectification for fraud or manifest error.

1.22 Certificates

No certificate or other evidence of title will be issued by or on behalf of the Company to evidence title to a Note other than notices required under the Chess security transfer system, unless Silver Chef determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

1.23 Indemnity to Silver Chef

(a) Whenever in consequence of:

(i) the death of a Noteholder;

(ii) the non-payment of any income Tax or other Tax payable by a Noteholder;

(iii) the non-payment of any stamp or other duty by the legal personal representatives of a Noteholder or his estate; or

(iv) any other act or thing in relation to a Note or a Noteholder,

any law for the time being of any other country or place, in respect of that Note, imposes or purports to impose any liability of any nature whatever on Silver Chef to make any payments to any Governmental Agency, Silver Chef will in respect of that liability be indemnified by that Noteholder and the Noteholder's legal personal representatives and any monies paid by Silver Chef in respect of that liability may be recovered by action from that Noteholder and/or the Noteholder's legal personal representatives as a debt due to Silver Chef and Silver Chef will have a lien in respect of those monies upon the Convertible Notes held by that Noteholder or his legal personal representatives and upon the principal and interest payable in respect thereof.

(b) Nothing in this Condition 1.23 will prejudice or affect any right or remedy which any such law may confer or purport to confer on Silver Chef.

1.24 Deceased or Insolvent Noteholders

The legal personal representatives of a deceased Noteholder (not being one of joint Noteholders) will be the only persons recognised by Silver Chef as having any title to that Noteholder's Notes. Any person becoming entitled to Notes in consequence of the death or liquidation of any Noteholder may, on producing such evidence of that person's title as the Directors think sufficient, be registered as the holder of the Notes or, subject to the preceding Conditions of the Notes as to transfer, may transfer those Notes. The Directors will be at liberty to retain the principal and interest and any other monies payable in respect of any Notes which any person under this Condition is entitled to or to transfer until such person is registered or has duly transferred the Notes in accordance with these Conditions of the Notes.

SCHEDULE 2

Notice of Exercise of Right to Convert

To: SILVER CHEF LIMITED ABN 40 096 001 955

I/We hereby give notice of exercise of my/our right to exchange all/part of my/our holding of Convertible Notes into fully paid ordinary shares in Silver Chef Limited.

(Number of figures) (Number in words)

I/We request you issue such shares to me/us and agree to accept them as subject to the Company's constitution.

Holder Reference Number

Registration Details of Note Holder:

This application may be signed by:

- the holder(s) of the Notes; or
- a person appointed by a power of attorney from the holder (if signed under power of attorney, a certified copy of the document must accompany this form if it has not already been noted by the company). The attorney is to declare that he/she has no notice of revocation of the power of attorney.
- if a company has a seal, then the seal must be affixed in accordance with its constitution.

Print name & office (eg. Director, if company signing) Signature

Print name & office (eg. Director, if company signing) Signature

/ /
Date

Company Seal (if applicable)

IMPORTANT NOTE:
Please read the Conditions to the issue and conversion of these Notes carefully.

Lodging Participant's Stamp (if applicable)

EXECUTED as a deed

SIGNED SEALED AND DELIVERED)
for and on behalf of)
SILVER CHEF LIMITED ACN 011 045 828 by)
authority of the directors in the presence of:)

Director

Director/Secretary

ALLAN JOHN ENGLISH

Full name of director

ANDREW PETER KEMP

Full name of director/secretary

SIGNED BY
FRANCESCO GRAZIANO PROSTAMO
SIGNED AS DELEGATE FOR THE PUBLIC TRUSTEE UNDER SECTION 11A OF THE *PUBLIC TRUSTEE ACT 1978*

~~SIGNED by~~ ~~who also~~)
~~caused the seal of the Public Trustee of Queensland~~)
~~to be affixed hereto in the presence of:~~

Signature of witness

IAN McGREGOR CAMPBELL

Name of witness (print)

Signature of FRANCESCO GRAZIANO PROSTAMO