

MEDIA/ASX ANNOUNCEMENT
5 August 2019

RELEASE OF SCHEME BOOKLET

As announced on Thursday, 1 August 2019, the Supreme Court of Queensland has ordered the convening of two meetings of shareholders of Silver Chef Limited (**Silver Chef**) (ASX: SIV) to consider, and if thought fit, approve the scheme of arrangement under which a consortium of investors investing under the leadership of Next Capital Pty Ltd propose to acquire all the shares in Silver Chef (**Scheme**).

A copy of the explanatory statement (**Scheme Booklet**) in relation to the Scheme, as approved by the court and registered with the Australian Securities and Investments Commission, is attached to this announcement.

The Scheme Booklet will be sent to shareholders either by post or electronically (for shareholders who have opted to receive notices electronically) on Wednesday, 7 August 2019.

The Scheme Booklet contains important information regarding the Scheme, including the independent expert's report prepared by Ernst & Young Transaction Advisory Services Limited in relation to the Scheme, the notices of meeting and instructions on how to vote.

Shareholders are encouraged to consider the information in its entirety and to participate in the meetings to be held commencing at 1:00pm on 6 September 2019.

Enquiries to:

Damien Guivarra
Chief Executive Officer
(07) 3335 3300

Graeme Fallet
Chief Financial Officer
(07) 3335 3300

Media Enquires

Giles Rafferty
FIRSTADVISERS
grafferty@firstadvisers.com.au
02 8011 0352 or 0481 467 903

This is an important document and requires your immediate attention.
If you are in any doubt about how to deal with this document, you should contact your broker or financial, taxation, legal or other professional adviser immediately.



SILVER CHEF LIMITED SCHEME BOOKLET

This Scheme Booklet relates to the proposed acquisition by Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA, Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC, Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2, Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-investment Trust and Next Capital (Services B) Pty Limited ACN 117 027 853 as trustee for the Apollo Co-investment Trust B (together, the **Bidder**) of all of the ordinary shares in Silver Chef Limited (ACN 011 045 828) (**Silver Chef**) held by Scheme Shareholders (other than Electing Founder Shareholders).

The Independent Directors unanimously recommend that you VOTE IN FAVOUR of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal.

The Independent Expert has concluded that the Scheme is in the best interests of Scheme Shareholders.



One Firm Worldwide™

CORPORATE ADVISER

LEGAL ADVISER

If you have any questions in relation to this Scheme Booklet or the Transaction, you should call the **Silver Chef Shareholder Information Line on 1300 648 874** (within Australia) or +61 2 8355 1000 (outside Australia) Monday to Friday between 8.30am and 5.00pm (AEST) or email corporateactions@shareholdersfirst.com.au

Disclaimer and important notices

General

This Scheme Booklet provides Silver Chef Shareholders with information about the proposed acquisition by the Bidder of all of the ordinary shares (in their Respective Proportions) in Silver Chef held by Scheme Shareholders other than Electing Founder Shareholders (Scheme Shares).

This Scheme Booklet is important and requires your immediate attention. You should read this Scheme Booklet in full before making any decision as to how to vote at the General Meeting and applicable Scheme Meeting.

Nature of this document

This Scheme Booklet is the explanatory statement for the Scheme required by subsection 412(1) of the Corporations Act.

This Scheme Booklet does not constitute or contain an offer to Silver Chef Shareholders, or a solicitation of an offer from Silver Chef Shareholders, in any jurisdiction.

ASIC and ASX

A copy of this Scheme Booklet has been registered by ASIC for the purposes of subsection 412(6) of the Corporations Act. ASIC has been given the opportunity to comment on this Scheme Booklet in accordance with subsection 411(2) of the Corporations Act. Neither ASIC, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

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

A copy of this Scheme Booklet has been provided to ASX. Neither ASX, nor any of its officers, takes any responsibility for the contents of this Scheme Booklet.

Important notice associated with Court order under subsection 411(1) of the Corporations Act

The fact that, under subsection 411(1) of the Corporations Act, the Court has ordered that the Scheme Meetings be convened and has approved the explanatory statement required to accompany the Notices of Scheme Meetings does not mean that the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Silver Chef Shareholders should vote (on this matter Silver Chef Shareholders must reach their own conclusion); or
- has prepared, or is responsible for the content of, the explanatory statement.

Defined terms

Capitalised terms used in this Scheme Booklet are defined in Section 10.1 of this Scheme Booklet. Section 10.2 also sets out some rules of interpretation which apply to this Scheme Booklet.

Not an offer

This Scheme Booklet is not a disclosure document for the purposes of Chapter 6D of the Corporations Act and does not constitute, nor contain, an offer to Silver Chef Shareholders, or a solicitation of an offer from Silver Chef Shareholders, in any jurisdiction.

No investment advice

This Scheme Booklet has been prepared without reference to the investment objectives, financial and taxation situation or particular needs of any Silver Chef Shareholder or any other person. The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as, financial product advice. The Silver Chef Board encourages you to seek independent legal, financial and taxation advice before making any investment decision and any decision as to whether or not to vote in favour of the Scheme Resolution and Financial Assistance Resolution.

This Scheme Booklet should be read in its entirety before making a decision on whether or not to vote in favour of the Scheme Resolution and Financial Assistance Resolution. In particular, it is important that you consider the potential risks if the Scheme does not proceed, as set out in Section 3.11 of this Scheme Booklet, the risks associated with remaining a Silver Chef Shareholder included but not limited to those contained in Section 7 of this Scheme Booklet, and the views of the Independent Expert set out in the Independent Expert's Report contained in Attachment A to this Scheme Booklet.

If you are in any doubt as to the course you should follow, you should consult an independent and appropriately licensed and authorised professional adviser.

Forward looking statements

This Scheme Booklet contains both historical and forward-looking statements (including in the Independent Expert's Report). Forward looking statements or statements of intent in relation to future events in this Scheme Booklet (including in the Independent Expert's Report) should not be taken to be forecasts or predictions that those events will occur. Forward looking statements generally may be identified by the use of forward looking words such as 'believe', 'aim', 'expect', 'anticipate', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimate', 'potential', or other similar words. Similarly, statements that describe the objectives, plans, goals, intentions or expectations of Silver Chef or the Bidder Group are or may be forward looking statements. You should be aware that such statements are only opinions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to Silver Chef and the Bidder Group and/or the industries in which they operate, as well as general economic conditions, prevailing exchange rates and interest rates and conditions in financial markets.

Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and deviations are both normal and to be expected. None of Silver Chef nor the Bidder Group nor any of their respective officers, directors, employees or advisers or any person named in this Scheme Booklet or involved in the preparation of this Scheme Booklet makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement. Accordingly, you are cautioned not to place undue reliance on those statements.

The forward looking statements in this Scheme Booklet reflect views held only at the date of this Scheme Booklet. Subject to any continuing obligations under the Listing Rules or the Corporations Act, Silver Chef, the Bidder Group and their respective officers, directors, employees and advisers, disclaim any obligation or undertaking to distribute after the date of this Scheme Booklet any updates or revisions to any forward looking statements to reflect:

- any change in expectations in relation to such statements; or
- any change in events, conditions or circumstances on which any such statement is based.

Responsibility statement

Except as outlined below, the information contained in this Scheme Booklet has been provided by Silver Chef and is its responsibility alone. Except as outlined below, neither the Bidder, the Bidder Group nor any of its respective officers, employees or advisers assume any responsibility for the accuracy or completeness of such information.

The Bidder Group Information has been prepared by, and is the responsibility of, the Bidder. Neither Silver Chef nor any of its Subsidiaries, directors, officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report.

Ernst & Young Transaction Advisory Services Limited has prepared the Independent Expert's Report (as set out in Attachment A to this Scheme Booklet) and takes responsibility for that report. None of Silver Chef, its Subsidiaries, the Bidder Group, nor their respective officers, employees or advisers assume any responsibility for the accuracy or completeness of the information contained in the Independent Expert's Report, except, in the case of Silver Chef, in relation to the information which it has provided to the Independent Expert.

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

Foreign jurisdictions

The release, publication or distribution of this Scheme Booklet in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons outside of Australia who come into possession of this Scheme Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Scheme Booklet has been prepared in accordance with the laws of the Commonwealth of Australia and the information contained in this Scheme Booklet may not be the same as that which would have been disclosed if this Scheme Booklet had been prepared in accordance with the laws and regulations of a jurisdiction outside of Australia.

The issue of Contingent Value Notes in accordance with the Scheme as set out in this Scheme Booklet does not constitute an offer of Contingent Value Notes, or any debt security, in any jurisdiction in which, or to any person to whom, it would not be lawful to issue or to make an offer of such securities. No action has been taken to permit the issue of Contingent Value Notes in any jurisdiction outside Australia and New Zealand.

Financial amounts

All financial amounts in this Scheme Booklet are expressed in Australian currency unless otherwise stated.

Any discrepancies between totals in tables or financial statements, or in calculations, graphs or charts are due to rounding.

All financial and operational information set out in this Scheme Booklet is current as at the date of this Scheme Booklet, unless otherwise stated.

Notice regarding Second Court Hearing

At the Second Court Hearing, the Court will consider whether to approve the Scheme following the votes at the Scheme Meetings.

Charts and diagrams

Any diagrams, charts, graphs or tables appearing in this Scheme Booklet are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, graphs and tables is based on information available as at the Last Practicable Date.

Timetable and dates

All times and dates referred to in this Scheme Booklet are references to times and dates in Australian Eastern Standard Time (AEST), unless otherwise indicated. All times and dates relating to the implementation of the Scheme referred to in this Scheme Booklet may change and, among other things, are subject to all necessary approvals from Regulatory Authorities.

Privacy

Silver Chef may collect personal information in the process of implementing the Scheme. The type of information that it may collect about you includes your name, contact details and information on your shareholding in Silver Chef and the names of persons appointed by you to act as a proxy, attorney or corporate representative at the General Meeting and applicable Scheme Meeting as relevant to you. The collection of some of this information is required or authorised by the Corporations Act.

The primary purpose of the collection of personal information is to assist Silver Chef to conduct the General Meeting and Scheme Meetings and implement the Scheme. Without this information, Silver Chef may be hindered in its ability to issue this Scheme Booklet and implement the Scheme. Personal information of the type described above may be disclosed to the Share Registry, third party service providers (including print and mail service providers and parties otherwise involved in the conduct of the General Meeting and Scheme Meetings), authorised securities brokers, professional advisers, related bodies corporate of Silver Chef, Regulatory Authorities, and also where disclosure is otherwise required or allowed by law.

Silver Chef Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. If you would like to obtain details of the information about you held by the Share Registry in connection with Silver Chef Shares, please contact the Share Registry.

Silver Chef Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the General Meeting and applicable Scheme Meeting should ensure that they inform such an individual of the matters outlined above.

Silver Chef Shareholder Information Line

If you have any questions in relation to this Scheme Booklet or the Transaction, you should call the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +612 8355 1000 (outside Australia) Monday to Friday between 8.30am and 5.00pm (AEST) or email corporateactions@shareholdersfirst.com.au.

Date of Scheme Booklet

This Scheme Booklet is dated 1 August 2019.

Contents

	Important dates	4
	Overview of this Scheme Booklet	5
	Letter from the Chair of the Independent Board Committee	9
1	Frequently asked questions	11
2	Reasons to vote for/against the Scheme Resolution and Financial Assistance Resolution	30
2.1	Introduction	30
2.2	Why you should vote in favour of the Scheme Resolution and Financial Assistance Resolution	30
2.3	Why you may wish to vote against the Scheme Resolution and Financial Assistance Resolution	33
3	Summary of the Scheme	34
3.1	Background	34
3.2	Scheme Consideration	34
3.3	Election by Founder Shareholders	34
3.4	How to make an election to retain Silver Chef Shares	34
3.5	Nominating a bank account with Silver Chef	35
3.6	Scheme Shareholders who have not nominated a bank account with Silver Chef	35
3.7	Independent Directors' recommendation	35
3.8	Voting intentions of the Independent Directors	36
3.9	Independent Expert's conclusions	36
3.10	Conditions to the Scheme	36
3.11	Implications if Scheme does not proceed	36
3.12	Your choices as a Silver Chef Shareholder	37
3.13	Copy of Silver Chef Share Register	38
3.14	Warranty and power of attorney by Scheme Shareholders	38
3.15	No brokerage or stamp duty	38
3.16	Delisting of Silver Chef	38
4	Contingent Value Notes	39
4.1	Overview	39
4.2	Issue of Contingent Value Notes	39
4.3	Information on Note Trustee	39
4.4	Ineligible Foreign Shareholders	40
4.5	Redemption of Contingent Value Notes	40
4.6	Summary of the Note Trust Deed	41
4.7	Benchmarking in relation to Contingent Value Notes	44
4.8	Key disclosures in relation to the GoGetta Business	45
4.9	Key risks in relation to the Contingent Value Notes	45
5	Profile of Silver Chef	47
5.1	Introduction	47
5.2	Operations overview	48
5.3	Silver Chef Board	49
5.4	Senior management team	49
5.5	Capital structure	49
5.6	Interests of Directors in Silver Chef securities	50
5.7	Interests of Directors in securities of the Bidder	51
5.8	Benefits and agreements	51
5.9	Recent share price history	51
5.10	Historical financial information	52
5.11	Publicly available information about Silver Chef	55

6	Profile of the Bidder	56
6.1	Introduction	56
6.2	Overview of the Bidder	56
6.3	Funding arrangements for the Cash Scheme Consideration	58
6.4	Summary of Shareholders' Deed	58
6.5	The Bidder's intentions if the Scheme is implemented	60
6.6	Other information	61
7	Risk Factors	62
7.1	Introduction	62
7.2	General market risks	62
7.3	Specific risks relating to Silver Chef and/or the industries in which it operates	62
7.4	Risk factors which may prevent the Scheme from being implemented	65
8	Implementing the Scheme	66
8.1	Scheme Implementation Agreement	66
8.2	Voting on the Scheme and Financial Assistance Resolution	70
8.3	Court approval of the Scheme	70
8.4	Deed Poll	71
8.5	Effective Date	71
8.6	Record Date and entitlement to Scheme Consideration	71
8.7	Implementation Date	71
8.8	Payment of the Scheme Consideration	71
9	Additional Information	72
9.1	Effect of the Transaction on Silver Chef's material contracts	72
9.2	Taxation Implications of the Scheme	72
9.3	Disputes and litigation	75
9.4	Status of Conditions Precedent	75
9.5	Substantial shareholders of Silver Chef	76
9.6	Consents to be named	76
9.7	Intentions of Directors	76
9.8	No unacceptable circumstances	77
9.9	Foreign jurisdictions	77
9.10	No other material information	77
9.11	Supplementary disclosure statement	77
10	Definitions and interpretation	78
10.1	Definitions	78
10.2	Interpretation	84
	Attachments	85
	A: Independent Expert's Report	86
	B: Deed Poll	161
	C: Scheme of Arrangement	173
	D: Note Trust Deed	196
	E: Notices of Scheme Meetings	248
	F: Notice of General Meeting	254
	Corporate directory	260

Important dates

Date of this Scheme Booklet	Thursday, 1 August 2019
First Court Date	Thursday, 1 August 2019
Founder Shareholders Election Date – date by which the Election Form must be received	5.00pm on Thursday, 22 August 2019
Latest time and date for receipt of the Proxy Form (including proxies lodged online) or powers of attorney by the Share Registry for the Scheme Meetings	1.00pm on Wednesday, 4 September 2019
Time and date for determining eligibility to vote at the Scheme Meetings	7.00pm on Wednesday, 4 September 2019
General Meeting	1:00pm on Friday, 6 September 2019
Founder Shareholder Scheme Meeting	Immediately following the conclusion of the General Meeting
Silver Chef Scheme Meeting	Immediately following the conclusion of the Founder Shareholder Scheme Meeting

If the Financial Assistance Resolution is approved at the General Meeting and the Scheme Resolution is approved by Silver Chef Shareholders at both the Founder Shareholder Scheme Meeting and the Silver Chef Scheme Meeting, the following key dates will apply.

Second Court Date Court order lodged with ASIC and announcement to ASX Effective Date	Wednesday, 11 September 2019
Record Date (for determining entitlements of the Scheme Shareholders to Scheme Consideration)	5.00pm on Wednesday, 18 September 2019
Implementation Date (Scheme Consideration will be provided to Scheme Shareholders on the Implementation Date)	Wednesday, 25 September 2019
Determination Date for calculation of Redemption Amount (if any)	30 June 2021

All dates in the above timetable are indicative only and are subject to change. Silver Chef, in consultation with the Bidder, may vary any or all of these dates and times and will provide reasonable notice of any such variation. Certain times and dates are conditional on the approval of the Scheme by Silver Chef Shareholders and the Court and may depend on factors outside of the control of Silver Chef. Any changes will be announced by Silver Chef to ASX and published on Silver Chef's website at www.silverchefgroup.com.au.

Overview of this Scheme Booklet

This Scheme Booklet provides Silver Chef Shareholders with information about the proposed acquisition of all Scheme Shares by the Bidder that was announced by Silver Chef to ASX on 3 July 2019.

It is proposed that the Transaction will be implemented through the Scheme between Silver Chef and Scheme Shareholders.

This Scheme Booklet provides you with information to consider before voting on the:

- **Financial Assistance Resolution** at the General Meeting scheduled to be held at 1:00pm (AEST) on 6 September 2019; and
- **Scheme Resolution** at either, as applicable, the **Founder Shareholder Scheme Meeting** scheduled to be held immediately following the conclusion of the General Meeting or the **Silver Chef Scheme Meeting** scheduled to be held immediately following the conclusion of the Founder Shareholder Scheme Meeting.

What will I be entitled to receive if the Scheme proceeds?

If the Scheme is implemented, Scheme Shareholders, other than Founder Shareholders¹ who have made a valid election to retain all of their Silver Chef Shares (**Electing Founder Shareholders**), will receive:

- a cash payment of \$0.70 (**Cash Scheme Consideration**); and
- one Contingent Value Note,

for each Silver Chef Share they hold as at the Record Date (**Scheme Consideration**).

Electing Founder Shareholders will retain their Silver Chef Shares and will not receive the Scheme Consideration.

Ineligible Foreign Shareholders will not be issued any Contingent Value Notes and will instead receive the Redemption Amount under the Contingent Value Notes (if any) in accordance with the terms of the Note Trust Deed. Refer to Section 4.6 for further information.

1 The Founder Shareholders are entities associated with Mr Allan English, the current Chairman of the Silver Chef Board and include Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust, Mr Allan John English & Mrs Tessa Winifred English as trustees for The Tessana Superannuation Fund and English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation. No other Silver Chef Shareholder can become a Founder Shareholder for the purposes of the Scheme, regardless of the number of Silver Chef Shares they hold on the Record Date.

What should I do next?

Step 1: Read this Scheme Booklet in its entirety

You should read this Scheme Booklet carefully in full, including the reasons to vote in favour of or against the Scheme Resolution and Financial Assistance Resolution (as set out in Section 2), before making any decision on how to vote.

Answers to various frequently asked questions about the Scheme Resolution and Financial Assistance Resolution are set out in Section 1. If you have any additional queries about this Scheme Booklet, the Scheme or the Financial Assistance Resolution, please contact the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) between 8.30am and 5.00pm (AEST), visit www.silverchefgroup.com.au or contact your legal, financial, taxation or other professional adviser. Please note that calls to the Silver Chef Shareholder Information Line may be recorded.

Step 2: Vote at the General Meeting and Scheme Meetings

Entitlement to vote

If you are registered as a Silver Chef Shareholder on the Silver Chef Share Register at 7.00pm (AEST) on 4 September 2019, you will be entitled to attend and vote at the General Meeting and either, as applicable, the:

- Founder Shareholder Scheme Meeting, if you are an Electing Founder Shareholder; or
- Silver Chef Scheme Meeting, if you are a Silver Chef Shareholder (excluding Electing Founder Shareholders).

How to vote

In person:

To vote in person, you must attend the General Meeting and applicable Scheme Meeting. Eligible Silver Chef Shareholders who wish to attend and vote at the General Meeting and applicable Scheme Meeting in person will be admitted and given a voting card at the point of entry to the meeting, once they have disclosed their name and address.

By proxy:

You may appoint one or two proxies by using the Proxy Form. Your proxy need not be another Silver Chef Shareholder. Each proxy will have the right to vote on the poll and also to speak at the meeting.

A vote given in accordance with the terms of a proxy appointment is valid despite the revocation of that appointment, unless notice in writing of the revocation has been received by the Share Registry by 1.00pm (AEST) on 4 September 2019 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting). A proxy is not revoked by the principal attending and taking part in the meeting, unless the principal actually votes at the meeting on the resolution for which the proxy was proposed to be used. If you wish to appoint a second proxy, a second proxy form should be used and you should clearly indicate on the second proxy form that it is a second proxy and not a revocation of your first proxy. You can obtain a second proxy form from the Share Registry.

If you appoint two proxies, each proxy should be appointed to represent a specified proportion of your voting rights. If you do not specify the proportions in the proxy forms, each proxy may exercise half of your votes with any fractions of votes disregarded.

If you return your Proxy Form:

- without identifying a proxy on it, you will be taken to have appointed the chair of the meeting as your proxy to vote on your behalf; or
- with a proxy identified on it but your proxy does not attend the meeting, the chair of the meeting will act in place of your nominated proxy and vote in accordance with any directions on your Proxy Form.

The chair of the meeting intends to vote all valid undirected proxies which nominate the chair in favour of the Scheme Resolution and Financial Assistance Resolution, in the absence of a Superior Proposal.

Proxies of eligible Silver Chef Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their name and address.

Your appointment of a proxy does not preclude you from attending in person, revoking the proxy and voting at the meeting.

You must deliver the signed and completed Proxy Form to the Share Registry by 1.00pm (AEST) on 4 September 2019 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting) in any of the following ways:

(a) Online:

STEP 1:

Visit the applicable website:

- **General Meeting:**
www.votingonline.com.au/sivgm2019
- **Founder Shareholder Scheme Meeting**
(for Electing Founder Shareholders only):
www.votingonline.com.au/sivfsm2019
- **Silver Chef Scheme Meeting**
(for all Silver Chef Shareholders other than Electing Founder Shareholders):
www.votingonline.com.au/sivsm2019

STEP 2:

Enter your Postcode OR
Country of Residence (if outside Australia).

STEP 3:

Enter your Voting Access Code (VAC).

(b) by post in the provided envelope to the Share Registry:

Boardroom Pty Limited
GPO Box 3993,
Sydney NSW 2001

(c) by delivery in person to:

Boardroom Pty Limited
Level 12, 225 George Street,
Sydney NSW 2000

(d) by fax to the Share Registry

on 02 9290 9655 (within Australia)
or +61 2 9290 9655 (outside Australia)

If a voting form is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed voting form unless the power of attorney or other authority has previously been noted by the Share Registry.

If you hold Silver Chef Shares jointly with one or more other persons, in order for your proxy appointment to be valid, each of you must sign the voting form.

By attorney:

You may appoint an attorney to attend and vote at the General Meeting and applicable Scheme Meeting on your behalf. Your attorney need not be another Silver Chef Shareholder. Each attorney will have the right to vote on the poll and also to speak at the meeting.

The power of attorney appointing your attorney to attend and vote at the General Meeting and applicable Scheme Meeting must be duly executed by you and specify your name, the company (that is, Silver Chef), and the attorney, and also specify the meetings at which the appointment may be used. The appointment may be a standing one.

The power of attorney, or a certified copy of the power of attorney, should be lodged at the registration desk on the day of the meeting or with the Share Registry before 1.00pm (AEST) on 4 September 2019 (or, if the meeting is adjourned or postponed, no later than 48 hours before the resumption of the meeting in relation to the resumed part of the meeting), or delivered by post or by facsimile to the Share Registry.

Attorneys of eligible Silver Chef Shareholders will be admitted to the meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address, and the name of their appointors.

Your appointment of an attorney does not preclude you from attending in person and voting at the meeting.

By corporate representative:

If you are a body corporate, you may appoint an individual to act as your body corporate representative. The appointment must comply with the requirements of section 250D of the Corporations Act, meaning that Silver Chef will require a certificate of appointment of body corporate representative to be executed by you in accordance with the Corporations Act. A form of certificate may be obtained from the Share Registry by calling 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia). The certificate of appointment may set out restrictions on the representative's powers.

If a certificate is completed under power of attorney or other authority, the power of attorney or other authority, or a certified copy of the power of attorney or other authority, must accompany the completed certificate unless the power of attorney or other authority has previously been noted by the Share Registry.

Body corporate representatives of eligible Silver Chef Shareholders will be admitted to the General Meeting and applicable Scheme Meeting and given a voting card on providing at the point of entry to the meeting, written evidence of their appointment, their name and address and the name of their appointors.

Questions?

Further information on the General Meeting and Scheme Meetings can be found in the notices of meetings in Attachment E and Attachment F of this Scheme Booklet.

If you have any questions after reading this Scheme Booklet, please call the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) between 8.30am and 5.00pm (AEST), or contact your legal, financial, taxation or other professional adviser or email corporateactions@shareholdersfirst.com.au.

Letter from the Chair of the Independent Board Committee

1 August 2019

Dear Silver Chef Shareholder

On 3 July 2019, Silver Chef announced that it had entered into a Scheme Implementation Agreement with the Bidder, under which it is proposed that the Bidder will acquire all of the Scheme Shares through a scheme of arrangement, subject to approval by Silver Chef Shareholders (among other conditions).

The Silver Chef Board appointed an independent board committee, comprising the Directors excluding Mr Allan English (**Independent Directors**) as Mr English is associated to the Founder Shareholders who may elect to retain their Silver Chef Shares, to consider the proposal from Next Capital which has culminated in the Scheme.

The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution and Financial Assistance Resolution, and each Independent Director intends to vote all Silver Chef Shares held or controlled by them in favour of the Scheme Resolution and Financial Assistance Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme to be in the best interests of Silver Chef Shareholders.

Full details of the Scheme and relevant considerations for Shareholders are set out in this document, which you should read carefully and in full.

I would however like to draw your attention to the following key considerations:

- The Independent Directors pursued a number of alternative options for addressing Silver Chef's current breaches of debt covenants under the Target Credit Facilities. These included introducing subordinated debt to Silver Chef's capital structure, undertaking a concurrent equity raise, and pursuing an orderly wind down of the business. The Independent Directors have assessed the Scheme as providing greater value and certainty for Silver Chef Shareholders than each of the alternative avenues, having regard to the following key factors:
 - the subordinated debt financier required a minimum prerequisite equity raising of \$20 million, the completion of which became increasingly improbable following a deterioration in Silver Chef's financial, operational and market environments;
 - continuing performance and reporting issues restricting Silver Chef's ability to write new business; and
 - Silver Chef's modelling which indicated that an orderly winding down of Silver Chef's business would provide an inferior outcome for Silver Chef Shareholders when compared to the Scheme.

- If the Scheme is implemented, Silver Chef Shareholders will have the opportunity to realise value for their shares. The Bidder has also agreed to recapitalise Silver Chef, addressing financier requirements and providing continuity for Silver Chef, its customers and employees.
- Silver Chef Shareholders should not assume that there is an alternative option capable of being implemented if the Scheme does not proceed. If the Scheme does not proceed:
 - there is no guarantee that Silver Chef's financiers would continue to extend waivers in the absence of any alternative viable proposal. If the waivers are not extended, the financiers may require Silver Chef to immediately cease originations and commence an orderly wind down of its business, which Silver Chef expects will produce a materially worse outcome for Silver Chef Shareholders than the Scheme;
 - there is no guarantee that Silver Chef's financiers would consent to an orderly wind down and Silver Chef may be forced to enter into voluntary administration. Secured creditors may also seek to enforce their security by appointing receivers and managers to Silver Chef's assets; and
 - Silver Chef Shareholders would continue to be subject to the business risks associated with the business as well as volatility in the share price.

These, and other important considerations to vote for and against the Scheme, are explained in further detail at Section 2.

Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders (other than Electing Founder Shareholders) will receive:

- the Cash Scheme Consideration of \$0.70; and
- one Contingent Value Note,

for each Scheme Share they hold as at the Record Date.

Ineligible Foreign Shareholders will not be issued any Contingent Value Notes and will instead receive the Redemption Amount under the Contingent Value Notes (if any) in accordance with the terms of the Note Trust Deed.

If the Scheme is implemented, the Contingent Value Notes will provide an opportunity for Silver Chef Shareholders (other than Electing Founder Shareholders) to participate in potential upside from the run-off of the GoGetta Business. However, the Independent Directors can give no assurance as to the ultimate value of the Contingent Value Notes. Refer to Section 4 for further information on Contingent Value Notes.

Founder Shareholders only may elect to retain all of their Silver Chef Shares in lieu of receiving the Scheme Consideration.

Independent Expert's Report

The Independent Expert has assessed the underlying value for Silver Chef to be in the range of \$0.90 to \$1.13 per Silver Chef Share on a controlling basis. As:

- the Scheme Consideration of \$0.73 to \$0.76 per Silver Chef Share (including a value of \$0.03 to \$0.06 per Contingent Value Note); and
- for Electing Founder Shareholders, the fair value (post implementation of the Scheme and recapitalisation of Silver Chef) of Retained Shares of between \$0.57 to \$0.71 per share,

(each as assessed by the Independent Expert) are below this range, the Independent Expert has concluded that the Scheme is not fair to Scheme Shareholders.

However, the Independent Expert has concluded, having regard to the commercial and qualitative factors outlined in section 7 of the Independent Expert's Report, that the Scheme is reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders.

A full copy of the Independent Expert's Report is included as Attachment A to this Scheme Booklet and I encourage you to review it carefully.

Independent Directors' Recommendation

For the reasons set out in this Scheme Booklet and importantly, the risks Silver Chef may face if the Scheme does not proceed as described in Sections 2, 3.11 and 7, the Independent Directors have formed the view that the Scheme is in the best interests of Silver Chef Shareholders and unanimously recommend that you vote in favour of the Scheme Resolution and Financial Assistance Resolution, subject to no Superior Proposal emerging and the Independent Expert continuing to conclude the Scheme to be in the best interests of Silver Chef Shareholders. Subject to those same qualifications, each of the Independent Directors that holds or controls Silver Chef Shares intends to vote in favour of the Scheme.

Your Vote Is Important

Your vote is important regardless of how many Silver Chef Shares you own. If you wish for the Scheme to proceed, it is important that you vote in favour of the Scheme Resolution at the applicable Scheme Meeting and Financial Assistance Resolution at the General Meeting.

For the Financial Assistance Resolution to be approved, it must be passed by at least 75% of votes cast by Silver Chef Shareholders entitled to vote. The Scheme is conditional on the passage of the Financial Assistance Resolution. Accordingly, if the Financial Assistance Resolution fails to pass at the General Meeting, the Scheme will be unable to proceed unless Silver Chef and the Bidder agree to waive the condition.

The Scheme will only become effective and implemented if it is supported by:

- unless the Court orders otherwise, more than 50% of eligible Silver Chef Shareholders present and voting at the applicable Scheme Meeting; and
- at least 75% of the total votes cast on the Scheme Resolution by eligible Silver Chef Shareholders present and voting at the applicable Scheme Meeting.

Further Information

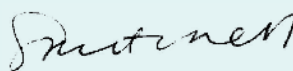
This Scheme Booklet sets out important information regarding the Scheme and Financial Assistance Resolution, and I encourage you to consider it carefully and in its entirety.

If you require any further information, please call the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) between 8.30am and 5.00pm (AEST).

Conclusion

On behalf of the Silver Chef Board, and as fellow Shareholders, we encourage your participation in the General Meeting and Scheme Meetings and that you vote in favour of the Scheme and Financial Assistance Resolution, which we believe are in the best interests of Silver Chef Shareholders, in the absence of a Superior Proposal.

Yours sincerely



Sophia (Sophie) Mitchell
Chair of the Independent Board Committee

Frequently asked questions

This Section 1 answers some frequently asked questions about the Scheme and Financial Assistance Resolution. It is not intended to address all relevant issues for Silver Chef Shareholders. This Section 1 should be read together with all other parts of this Scheme Booklet (including the risk factors in Section 7).

Question	Answer	More information
The Scheme, the Scheme Consideration and the Independent Directors' recommendation		
What is the Scheme?	The Scheme is a scheme of arrangement between Silver Chef and the Scheme Shareholders. If the Scheme becomes Effective, the Bidder will acquire all Scheme Shares (in their Respective Proportions) for the Scheme Consideration.	Section 3 contains a summary of the Scheme and a copy of the Scheme is contained in Attachment C.
What do the Independent Directors recommend?	The Independent Directors unanimously recommend that Silver Chef Shareholders vote in favour of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders. The Independent Directors believe that the reasons for Silver Chef Shareholders to vote in favour of the Scheme Resolution and Financial Assistance Resolution outweigh any reasons to vote against it. The Independent Directors encourage you to seek independent legal, financial, taxation or other appropriate professional advice before making an investment decision in relation to your Silver Chef Shares.	Sections 2.2 and 3.7 set out further details of the Independent Directors' recommendation.
What are the voting intentions of the Independent Directors?	Each Independent Director intends to vote all Silver Chef Shares held or controlled by them in favour of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders.	Details of the Relevant Interests of each Director in Silver Chef securities are set out in Section 5.6.
What is the opinion of the Independent Expert?	The Independent Expert has concluded that the Scheme is not fair but reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders in the absence of a Superior Proposal.	Attachment A contains the Independent Expert's Report.
What if the Independent Expert changes its opinion?	If the Independent Expert changes its opinion, this will be announced to ASX and the Independent Directors will carefully consider the Independent Expert's revised opinion and advise you of their recommendation.	

1

Frequently asked questions

Question	Answer	More information
What is the Scheme Consideration?	If the Scheme becomes Effective, Scheme Shareholders (other than Electing Founder Shareholders) will receive: • Cash Scheme Consideration of \$0.70; and • one Contingent Value Note, per Silver Chef Share held as at the Record Date. Contingent Value Notes provide Noteholders with an opportunity to participate in potential upside from the run-off of the GoGetta Business. Refer to Section 4 for further information on Contingent Value Notes. Founder Shareholders only will be entitled to make an election to retain all of their Silver Chef Shares in lieu of receiving the Scheme Consideration.	Section 3 contains a summary of the Scheme and a copy of the Scheme is contained in Attachment C.
Am I entitled to receive the Scheme Consideration?	You are entitled to receive the Scheme Consideration for each Scheme Share you hold if you are a Scheme Shareholder (excluding Electing Founder Shareholders) at the Record Date (currently expected to be 5.00pm (AEST) on 18 September 2019). Ineligible Foreign Shareholders will not be eligible to receive Contingent Value Notes, refer to the question 'What if I am an Ineligible Foreign Shareholder?' below. Scheme Shareholders are persons who are registered as Silver Chef Shareholders as at the Record Date.	
When and how will I receive the Cash Scheme Consideration?	If the Scheme becomes Effective, payment of the Cash Scheme Consideration will be made to Scheme Shareholders (other than Electing Founder Shareholders) on the Implementation Date (currently expected to be 25 September 2019). Scheme Shareholders who have validly registered the details of their bank account (which must be with an Australian ADI) with the Share Registry before the Record Date (currently expected to be 5.00pm (AEST) on 18 September 2019) will have the Cash Scheme Consideration transferred directly to their bank account. Scheme Shareholders who have not registered their bank account details (or whose bank account details are not with an Australian ADI) will have a cheque for the cash payment sent to the address shown on the Silver Chef Share Register as at the Record Date. Please refer to Section 3.5 for further information on how to change or nominate a bank account.	Sections 3.5 and 3.6 contain further information about when and how you will receive your Cash Scheme Consideration.
When and how will I receive the Contingent Value Notes	If the Scheme becomes Effective, Silver Chef will, on the Implementation Date, issue to: • each Scheme Shareholder (other than Electing Founder Shareholders and Ineligible Foreign Shareholders), one Contingent Value Note for each Scheme Share held; and • the Custodian the total number of Contingent Value Notes that would have been issued to the Ineligible Foreign Shareholders, in accordance with the Scheme and the Note Trust Deed.	

Question	Answer	More information
Who are the Founder Shareholders?	The Founder Shareholders are entities associated with Mr Allan English, the current Chairman of the Silver Chef Board and include: • Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust; • Mr Allan John English & Mrs Tessa Winifred English as trustees for The Tessana Superannuation Fund; and • English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation. No other Silver Chef Shareholder can become a Founder Shareholder for the purposes of the Scheme, regardless of the number of Silver Chef Shares they hold on the Record Date.	
Why have the Founder Shareholders been given an option to retain their Silver Chef Shares?	Allan English founded Silver Chef over 30 years ago and, together with the English Family Foundation, remains the largest shareholder with a shareholding of approximately 22.60%. A key feature of Silver Chef is that it chooses to run its business with a social purpose in mind and is one of the few Certified B Corporations listed on the ASX. Together, Silver Chef and the English Family Foundation have provided long standing support of Opportunity International and have helped over 1,500,000 people out of poverty. In the process of examining all available options to Silver Chef to remedy the covenant breaches, the Independent Directors determined that it would be necessary for any take private proposal to be supported by Allan English and the English Family Foundation and that to do so any offer needed to include an option for the Founder Shareholders to remain invested. Hence, under the Scheme, the Founder Shareholders have the option to retain their Silver Chef Shares in lieu of receiving the Scheme Consideration.	

1

Frequently asked questions

Question	Answer	More information
What is the effect of Founder Shareholders retaining their Silver Chef Shares?	Founder Shareholders who make a valid election to retain their Silver Chef Shares will: • retain their Silver Chef Shares (in lieu of receiving the Scheme Consideration) and participate in the future financial performance of Silver Chef; • be required to enter into the Shareholders' Deed, which contains amongst other things restrictions on dealings with Silver Chef Shares after the Implementation Date. A summary of the key terms of the Shareholders' Deed is set out in Section 6.4; • be diluted by the Equity Injection detailed in Section 6.5(c); • continue to be subjected to the risks set out in Section 7.2 and 7.3, except that Silver Chef will be de-listed from ASX following the Implementation Date and there will be no liquid market for Silver Chef Shares; and • be a minority holder in Silver Chef. Given the minority holding, lack of marketability and the rights and restrictions under the Shareholders' Deed for Electing Founder Shareholders, the Independent Expert has assessed the fair value (post implementation of the Scheme and recapitalisation of Silver Chef) of the Retained Shares as between \$0.57 to \$0.71 per share, after applying an appropriate combined discount for lack of control and lack of marketability. There is no assurance that the future value of Retained Shares will be equal to or higher than the value of the Scheme Consideration. There will be tax consequences on the future disposal of Retained Shares by Electing Founder Shareholders.	Section 3.3 contains information for Founder Shareholders. A summary of the key terms of the Shareholders' Deed is set out in Section 6.4.
How do I elect to retain Silver Chef Shares if I am a Founder Shareholder?	If you are a Founder Shareholder and wish to retain your Silver Chef Shares, you must complete the Election Form (including the Election Deed Poll attached to the Election Form) in accordance with the instructions on the form and return it to the Share Registry by no later than 5.00pm (AEST) on the Election Date (being 22 August 2019). Founder Shareholders may only make an election in respect of all of their Silver Chef Shares and cannot make a partial election.	Section 3.4 contains further information about how to elect to retain Silver Chef Shares
If I make an election as a Founder Shareholder, can I later withdraw or change it?	If you are a Founder Shareholder, you may subsequently withdraw an election by providing signed written notice to the Share Registry prior to 5:00pm (AEST) on 22 August 2019 setting out your name, address, Securityholder Reference Number (SRN) or Holder Identification Number (HIN), as applicable, and your intention to withdraw your Election Form.	

Question	Answer	More information
What happens if I do not make an election or I do not make an election in time as a Founder Shareholder?	If you are a Founder Shareholder and you do not make an election to retain your Silver Chef Shares or your Election Form (including the Election Deed Poll attached to the Election Form) is not received by the Share Registry prior to 5:00pm (AEST) on the Election Date (being 22 August 2019), you will receive the Scheme Consideration for all of your Silver Chef Shares that you hold as at the Record Date.	Section 3.3 contains further information about how to elect to retain Silver Chef Shares
What are the risks associated with my investment in Silver Chef if the Scheme does not become Effective?	If the Scheme does not become Effective, and no Superior Proposal emerges, the price of Silver Chef Shares may fall. The existing waivers of breaches of debt covenants obtained from Silver Chef's financiers under the Target Credit Facilities would need to be further extended and/or amended and there is no guarantee that this would be granted on terms favourable to Silver Chef, or at all. In addition, if the Scheme does not become Effective and no Superior Proposal emerges, Silver Chef Shareholders will continue to be subject to general risks as well as risks specific to Silver Chef and/or the industries in which it operates, including but not limited to the risks set out in Section 7.	Section 7 contains further information on the risk factors associated with an investment in Silver Chef.
What is required for the Scheme to become Effective?	The Scheme will become Effective if: - the Financial Assistance Resolution is approved by Requisite Majority of Silver Chef Shareholders voting at the General Meeting to be held at 1:00pm on 6 September 2019; - the Scheme Resolution is approved by the Requisite Majority of Silver Chef Shareholders voting at the Scheme Meetings to be held on 6 September 2019 immediately after the General Meeting; - all of the other Conditions Precedent are satisfied or waived (if applicable); and - the Court approves the Scheme at the Second Court Hearing.	Section 8.2 contains further information on the Scheme and Financial Assistance Resolution approval requirements.
Can the Scheme be terminated?	The Scheme Implementation Agreement may be terminated in certain circumstances, details of which are summarised in Section 8.1(f). If the Scheme Implementation Agreement is terminated, the Scheme will not proceed.	Section 8.1(f) contains further information how the Scheme may be terminated.
What are my alternatives as a Silver Chef Shareholder?	As a Silver Chef Shareholder, you have the following choices available: - vote in favour of the Scheme Resolution and Financial Assistance Resolution – this is the course of action unanimously recommended by the Independent Directors, in the absence of a Superior Proposal; - vote against the Scheme Resolution and/or the Financial Assistance Resolution; - sell your Silver Chef Shares; or - do nothing. For additional information on how to vote, please refer to the Section "Overview of this Scheme Booklet" (commencing on page 5).	Section 3.12 contains further information on your choices as a Silver Chef Shareholder.

1

Frequently asked questions

Question	Answer	More information
Contingent Value Notes		
What are the Contingent Value Notes	Each Contingent Value Note: • is an unlisted, unsecured note to be issued by Silver Chef in accordance with the Scheme and the Note Trust Deed; and • entitles the holder of the Contingent Value Note to the payment of the Redemption Amount (if any) as calculated on the Determination Date, being 30 June 2021.	Section 4 contains further information on the Contingent Value Notes.
Who is the issuer of the Contingent Value Notes	The Contingent Value Notes will be issued by Silver Chef.	
Who will be issued Contingent Value Notes	On the Implementation Date, each Scheme Shareholder (other than Electing Founder Shareholders and Ineligible Foreign Shareholders) will be issued one Contingent Value Note for each Scheme Share held.	Section 4.2 contains further information on the issue of Contingent Value Notes.
What if I am an Ineligible Shareholder	Silver Chef has no obligation to issue Contingent Value Notes to Scheme Shareholders who have an address as shown on the Silver Chef Share Register on the Record Date outside of Australia and New Zealand, unless Silver Chef determines it is lawful and not unduly onerous or impractical to issue the Contingent Value Notes to the Scheme Shareholder (Ineligible Foreign Shareholder). Silver Chef will instead issue to the Custodian the aggregate number of Contingent Value Notes that would otherwise have been issued to the Ineligible Foreign Shareholders, had they been eligible (Custodian CVNs). Silver Chef has appointed the Custodian to: • hold the Custodian CVNs until the earlier of: – the termination of the Note Trust Deed; and – the redemption or cancellation of the Custodian CVNs in accordance with the terms of the Note Trust Deed; and • promptly following receipt of the aggregate Redemption Amount for the Custodian CVNs, remit to each Ineligible Foreign Shareholder a cash amount equivalent to the Redemption Amount they would have received had they been entitled to receive Contingent Value Notes.	Section 4.4 contains further information on the treatment of Ineligible Foreign Shareholders.
What is the Note Trust Deed and what are the rights attaching to the Contingent Value Notes	The Note Trust Deed establishes the trust relating to the Contingent Value Notes, as required by the Corporations Act, and sets out the rights attaching to the Contingent Value Notes. The terms of cancellation and redemption of the Contingent Value Notes are set out in the Note Trust Deed.	Section 4.6 provides a summary of the terms of the Note Trust Deed.

Question	Answer	More information
How much will I receive for the Contingent Value Notes?	The Redemption Amount for each Contingent Value Note will be calculated (in accordance with the terms set out in the Note Trust Deed) on 50% of the net cash proceeds above \$10 million recouped by the Silver Chef Group in running down the GoGetta Business (net of all outgoings and claims including contingent costs and expenses incurred) between 3 July 2019 (being the date of the Scheme Implementation Agreement) and the Determination Date of 30 June 2021 and divided by the total number of Silver Chef Shares on issue on the Implementation Date. In particular, no Redemption Amount is payable unless Silver Chef's Facility B under the Syndicated Debt Facility has been repaid in full. Accordingly, the Redemption Amount is not quantifiable at this time and the Independent Directors can give no assurance as to their ultimate value or if any payment will be made at all. If the net cash proceeds recouped in running down the GoGetta Business do not exceed \$10 million as at the Determination Date, no Redemption Amount will be paid and all Contingent Value Notes will be cancelled for no further consideration.	Section 4.5 sets out information on redemption of the Contingent Value Notes.
What is the process in determining the Redemption Amount?	No later than 3 months before the Determination Date, Silver Chef must appoint the Independent Assessor for the purposes of verifying the calculations for the GoGetta Run Off Amount and Redemption Amount (if any). Within 60 days of the Determination Date of 30 June 2021, Silver Chef must determine the proposed GoGetta Run Off Amount and Redemption Amount. Silver Chef must instruct the Independent Assessor to verify the GoGetta Run Off Amount and Redemption Amount within 30 days and provide all information reasonably required by the Independent Assessor to enable the Independent Assessor to conduct the review. Silver Chef will have a period of 7 days to review the draft report of the Independent Assessor and provide submissions, if any. The Independent Assessor must consider the submissions and issue its final report within 7 days of receiving the submissions from Silver Chef.	Section 4.5 sets out information on redemption of the Contingent Value Notes.
What if I disagree with determination of the Independent Assessor?	Absent any manifest error or fraud, the determination by the Independent Assessor will be final and binding on the all parties.	
When will I receive payment for the Contingent Value Notes	If the Redemption Conditions are satisfied, Silver Chef must within 14 days of receiving the Redemption Determination Notice pay the Redemption Amount to Noteholders and redeem all of the Contingent Value Notes.	Section 4.5 sets out information on redemption of the Contingent Value Notes.

1

Frequently asked questions

Question	Answer	More information
What are the Redemption Conditions?	The Contingent Value Notes will only be redeemable if: - the Independent Assessor has completed its independent review of the GoGetta Run Off Amount and Redemption Amount and issued the Redemption Determination Notice; and - the Redemption Amount is greater than \$0, (Redemption Conditions).	Section 4.5 sets out information on redemption of the Contingent Value Notes.
What are the risks in relation to holding Contingent Value Notes?	There are a number of risks in relation to holding Contingent Value Notes, including that: - there is no guarantee that a Redemption Amount will be payable as it will be dependent on the amount recouped from the run off of the GoGetta Business; - while any decision by Silver Chef (which will be controlled by the Bidder after the Scheme is implemented) to dispose of the GoGetta Business assets must be made in good faith based on bona fide commercial considerations and not with the intention to circumvent the obligation to pay the Redemption Amount, Silver Chef does not have any obligation to maximise the value that may be achieved for the run off of the GoGetta Business; and - the Contingent Value Notes cannot be sold and Noteholders will be unable to realise any value from the Contingent Value Notes if no Redemption Amount is ultimately paid. In addition, there are also general risks as well as risks specific to Silver Chef and/or the industries in which it operates, including but not limited to those set out in Section 7.	Section 4.9 sets out a summary of the key risks in relation to holding Contingent Value Notes.
Who is the Note Trustee?	Melbourne Securities Corporation Limited ABN 57 160 326 545 (MSC) has been appointed as the Note Trustee pursuant to section 283AA(1) of the Corporations Act to hold certain rights of the Noteholders on trust. MSC's appointment as Note Trustee is subject to approval by ASIC pursuant to section 283GB of the Corporations Act. MSC holds an Australian financial services licence, licence number 428289 and Australian credit licence, licence number 428289. MSC has also been appointed to act as the Custodian.	Section 4.3 contains further information on the Note Trustee.
Are the Contingent Value Notes listed?	No, the Contingent Value Notes will not be listed on any financial market.	
Are the Contingent Value Notes transferable?	The Custodian may transfer the Custodian CVNs to a person nominated by Silver Chef if the Custodian Agreement is terminated. Otherwise, the Contingent Value Notes are non-transferable, other than as a result of operation of law or devolution.	

Question	Answer	More information
The Bidder		
Who is the Bidder	The Bidder is a consortium of investors investing together under the leadership of Next Capital. The consortium is comprised of investment vehicles affiliated with Next Capital (the Next Capital Funds) and a number of co-investors that are investing through co-investment vehicles (Next Capital Co-investment Trusts). The Next Capital Funds form part of Next Capital Fund IV which is managed by Next Capital IV Management Pty Limited. The major activities of the Next Capital Funds are to invest in mid-market private equity transactions sourced across Australia and New Zealand. The Next Capital Co-investment Trusts are special purpose vehicles established for the purpose of holding shares in Silver Chef on behalf of the co-investors and managed by Next Capital IV Management Pty Limited. The individual investors that will acquire the Scheme Shares in their Respective Proportions are as follows: • Next Capital Trust IVA; • Next Capital Trust IVC; • Next Capital Trust IVD2; • Next Capital Co-investment Trust A; and • Next Capital Co-investment Trust B	Section 6 contains further details about the Bidder.
How will the Bidder fund the Cash Scheme Consideration?	The maximum amount of cash required to be paid by the Bidder to Scheme Shareholders is \$27,487,541.20 for the Cash Scheme Consideration, based on there being a maximum of 39,267,916 Scheme Shares (provided no Founder Shareholder makes an election to retain their Silver Chef Shares). The Next Capital Funds have legally binding subscription agreements from the fund's limited partners, and the Next Co-investment Trusts have legally binding subscription agreements from the co-investors (Subscription Agreements). Under the Subscription Agreements, the Bidder has in aggregate sufficient committed funds to fund the Cash Scheme Consideration of \$27,487,541.20 which will be funded to the Bidder no later than two Business Days prior to the Implementation Date and will be used by the Bidder for the purpose of paying, and to the extent necessary to pay, the maximum Cash Scheme Consideration. Additional amounts can be called on under the Subscription Agreements if required to meet immediate future requirements of Silver Chef.	Section 6.3 contains further information on funding of the Cash Scheme Consideration.

1

Frequently asked questions

Question	Answer	More information
What are the Bidder's intentions for Silver Chef?	The Bidder's current intentions, if the Scheme becomes Effective, are set out in full in Section 6 and include the following: - the Bidder will cause Silver Chef to request that ASX remove Silver Chef from the official list; - the Bidder intends to replace the current Silver Chef Directors; and - the Bidder will undertake a detailed review of Silver Chef's business following implementation of the Scheme to determine the optimum manner of operating and managing Silver Chef's business. Decisions about the future operating plans and management organisation for Silver Chef will be made by the new board of Silver Chef following the implementation of the Scheme and completion of the detailed post-acquisition review.	Section 6.5 contains further details about the Bidder's current intentions for the Silver Chef Group after the Scheme is implemented.
Are the Bidder and Founder Shareholders Associates?	There are no agreements, understandings or arrangements in place between any Bidder Group Member and any Founder Shareholder as to the manner in which the Founder Shareholders will vote on the Scheme Resolution or Financial Assistance Resolution (or which would otherwise give any Bidder Group Member control or influence over the right to dispose of, or exercise votes attaching to, Silver Chef Shares held by the Founder Shareholders).	

Question	Answer	More information
The Conditions Precedent		
Are there any conditions to the Scheme?	There are a number of Conditions Precedent that will need to be satisfied or waived (where capable of waiver) before the Scheme can become Effective. As at the Last Practicable Date, the Conditions Precedent which remain outstanding are (in summary): • Court approval of the Scheme; • the Scheme Resolution being passed by Silver Chef Shareholders by the Requisite Majority at the Scheme Meetings; • the Financial Assistance Resolution being passed by Silver Chef Shareholders by the Requisite Majority at the General Meeting; • no other orders or restraints being issued by Regulatory Authorities or the Court; • no Material Adverse Effect or Target Prescribed Event occurs; • the representations and warranties given by Silver Chef and the Bidder in the Scheme Implementation Agreement remaining true and correct in all material respects; • no material enforcement action is announced or commenced by a Regulatory Authority against or involving a Silver Chef Group Member relating to a material contravention of applicable laws or regulations; • no event occurs or circumstances exist which results in the relevant waivers to the Syndicated Debt Facility or Securitisation Warehouse Facility being revoked or ceasing to apply, or which results in or gives rise to a default under the Syndicated Debt Facility or Securitisation Warehouse Facility, in each case which is not waived within 10 Business Days on terms acceptable to the Bidder; and • no prosecution, litigation or other proceeding by ASIC against a Silver Chef Group Member occurring in respect of the ASIC Investigation, where the losses are (or are reasonably likely to be for) an aggregate amount of \$10 million or more. As at the Last Practicable Date, the Directors are not aware of any reason why these Conditions Precedent would not be satisfied or waived with the agreement of the Bidder.	Section 8.1(b) contains further information on the Conditions Precedent, and Section 9.4 contains further information on the status of the Conditions Precedent.

1

Frequently asked questions

Question	Answer	More information
Voting for or against the Scheme Resolution and Financial Assistance Resolution		
Why should you vote in favour of the Scheme Resolution and Financial Assistance Resolution?	Reasons why you should vote in favour of the Scheme Resolution and Financial Assistance Resolution include: - the Independent Directors have unanimously recommended voting in favour of the Scheme and Financial Assistance Resolution, in the absence of a Superior Proposal, and intend to vote in favour of the Scheme and Financial Assistance Resolution in respect of all Silver Chef Shares they hold or control; - the Independent Expert has concluded that the Scheme is not fair but reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders, in the absence of a Superior Proposal; - no Superior Proposal has been received as at the date of this Scheme Booklet; - if the Scheme does not become Effective, you will continue to be subject to a number of risks associated with its operations (including those set out in Section 7). In particular, the existing waivers of breaches of debt covenants obtained from existing financiers under the Target Credit Facilities would need to be further extended and/or amended and there is no guarantee that this would be granted on terms favourable to Silver Chef, or at all; - the Scheme would provide Scheme Shareholders (other than Electing Founder Shareholders) with the opportunity of realising value for their Silver Chef Shares; and - if the Scheme does not become Effective, and no Superior Proposal emerges, the Silver Chef Share price may fall.	Sections 2.1 and 2.2 contain further information on why you should vote in favour of the Scheme Resolution and Financial Assistance Resolution.
Why you may consider voting against the Scheme Resolution and Financial Assistance Resolution?	Reasons why you may consider voting against the Scheme Resolution and Financial Assistance Resolution include: - you may disagree with the recommendation of the Independent Directors and the conclusions of the Independent Expert; - you may wish to maintain your investment profile; - you may consider that there is potential for a Superior Proposal to emerge; and - you may prefer to participate in the future performance of the Silver Chef business. Except in respect of Electing Founder Shareholders, if the Scheme becomes Effective, you will no longer be a Silver Chef Shareholder and you will not participate in Silver Chef's future financial performance, or any potential upside or the future prospects of its business that may result from continuing to be a Silver Chef Shareholder (except for potential upside from the run-off of the GoGetta Business for holders of Contingent Value Notes). However, as with all investments in securities, there can be no guarantee as to Silver Chef's future performance.	Sections 2.1 and 2.3 contain further information on why you may consider voting against the Scheme Resolution and Financial Assistance Resolution.

Question	Answer	More information
The General Meeting, Scheme Meetings and voting		
What is the General Meeting?	The General Meeting is the meeting of Silver Chef Shareholders being held to seek approval of the Financial Assistance Resolution.	
What are the Scheme Meetings?	Silver Chef will be holding two Scheme Meetings at which Silver Chef Shareholders will vote on the Scheme, being the: • Founder Shareholder Scheme Meeting, at which only Electing Founder Shareholders can attend; and • Silver Chef Scheme Meeting, at which all Silver Chef Shareholders can attend, excluding Electing Founder Shareholders.	
When and where will the General Meeting and Scheme Meetings be held?	The General Meeting will be held at 1:00pm (AEST) on 6 September 2019 at Avro room, Royal on the Park, 152 Alice Street, Brisbane, Queensland 4000. The Founder Shareholder Scheme Meeting will be held immediately following the conclusion of the General Meeting, at the same location. The Silver Chef Scheme Meeting will be held immediately following the conclusion of the Founder Shareholder Scheme Meeting, at the same location.	The Notices of Scheme Meetings contained in Attachment E contains further information on the Scheme Meetings. The Notice of General Meeting contained in Attachment F contains further information on the General Meeting.
What will Silver Chef Shareholders be asked to vote on at the Scheme Meetings?	At the Scheme Meetings, Silver Chef Shareholders will be asked to vote on whether to approve the Scheme by voting in favour of the Scheme Resolution.	The Scheme Resolution is set out in the Notices of Scheme Meetings contained in Attachment E.
What is the Silver Chef Shareholder approval threshold for the Scheme?	In order to become Effective, the Scheme must be approved by: • a majority in number (more than 50%) of Silver Chef Shareholders present and voting at the applicable Scheme Meeting; and • at least 75% of the total number of votes cast on the Scheme Resolution by Silver Chef Shareholders present and voting at the applicable Scheme Meeting. Even if the Scheme is approved by the Requisite Majority of Silver Chef Shareholders at the Scheme Meetings, the Scheme is still subject to the approval of the Court (as well as other Conditions Precedent outlined in Section 3.10). The Financial Assistance Resolution must be passed by the Requisite Majority of Silver Chef Shareholders in order for the Scheme to proceed (unless the condition is waived by the Bidder and Silver Chef).	Section 8.2 and the Notices of Scheme Meetings contained in Attachment E contain further information on the Scheme approval requirements.
What will Silver Chef Shareholders be asked to vote on at the General Meeting?	At the General Meeting, Silver Chef Shareholders will be asked to vote on whether to approve the Financial Assistance Resolution.	The Notice of General Meeting contained in Attachment F contains further information on the Financial Assistance Resolution.

1

Frequently asked questions

Question	Answer	More information
What is the Financial Assistance Resolution?	The Financial Assistance Resolution is required to be put to Silver Chef Shareholders to enable Silver Chef to issue the Contingent Value Notes. The Financial Assistance Resolution must be passed by Silver Chef Shareholders in order for the Scheme to proceed, unless the condition is waived by the Bidder and Silver Chef.	The Notice of General Meeting contained in Attachment F contains further information on the Financial Assistance Resolution.
Why is the Financial Assistance Resolution Required?	The issue of Contingent Value Notes by Silver Chef will constitute 'financial assistance' for the purposes of Part 2J.3 of the Corporations Act, given that the Contingent Value Notes form part of the Scheme Consideration to acquire the Scheme Shares. Pursuant to section 260A(1)(b) of the Corporations Act, financial assistance is permitted if the assistance is approved by shareholders and the required advance notice is given to ASIC.	The Notice of General Meeting contained in Attachment F contains further information on the Financial Assistance Resolution.
Does the Financial Assistance Resolution reduce payments to Scheme Shareholders?	No, the Financial Assistance Resolution does not reduce the Scheme Consideration or the value being attributed to your Scheme Shares.	The Notice of General Meeting contained in Attachment F contains further information on the Financial Assistance Resolution.
What is the Silver Chef Shareholder approval threshold for the Financial Assistance Resolution?	The Financial Assistance Resolution must be passed by at least 75% of the total number of votes cast on the Financial Assistance Resolution by Silver Chef Shareholders present and voting at the General Meeting. The passing of the Financial Assistance Resolution is in addition to the Scheme Resolution required to approve the Scheme.	The Financial Assistance Resolution is set out in the Notice of General Meeting contained in Attachment F.
Am I entitled to vote at the General Meeting and Scheme Meetings?	If you are registered as a Silver Chef Shareholder on the Silver Chef Share Register at 7.00pm (AEST) on 4 September 2019, you will be entitled to attend and vote at the General Meeting and either the: • Founder Shareholder Scheme Meeting if you are an Electing Founder Shareholder; or • Silver Chef Scheme Meeting if you are a Silver Chef Shareholder (excluding any Electing Founder Shareholder).	The Notices of Scheme Meetings contained in Attachment E sets out further information on your entitlement to vote at the Scheme Meetings. The Notice of General Meeting contained in Attachment F contains further information on your entitlement to vote at the General Meeting.
Should I vote?	Voting is not compulsory. However, the Independent Directors encourage all Silver Chef Shareholders to vote at the General Meeting and applicable Scheme Meeting.	Sections 2.2, 3.7 and 3.8 provide further information on the Independent Directors' recommendation and the Independent Directors' voting intentions.

Question	Answer	More information
How can I vote if I cannot attend the General Meeting or applicable Scheme Meeting?	If you would like to vote but cannot attend the General Meeting or applicable Scheme Meeting in person, you can vote by: - submitting a proxy (including by lodging your proxy online at the following link and following the instructions: General Meeting: www.votingonline.com.au/sivgm2019 Founder Shareholder Scheme Meeting (for Electing Founder Shareholders only): www.votingonline.com.au/sivfsm2019 Silver Chef Scheme Meeting (for all Silver Chef Shareholders other than Electing Founder Shareholders): www.votingonline.com.au/sivsm2019 - by mailing a completed Proxy Form to the Share Registry at Boardroom Pty Limited, GPO Box 3993, Sydney NSW 2001; - by delivery in person to Boardroom Pty Limited, Level 12, 225 George Street, Sydney NSW 2000; - faxing a completed Proxy Form to 02 9290 9655 (within Australia) or +61 2 9290 9655 (outside Australia); - appointing an attorney to attend and vote on your behalf; or - appointing a corporate representative if that option is applicable to you.	Refer to the Section "Overview of this Scheme Booklet" (commencing on page 2)
Will the Bidder vote any Silver Chef Shares that it holds at the General Meeting or Scheme Meetings?	The Bidder is not a Silver Chef Shareholder and is not permitted to vote at the General Meeting or Scheme Meetings.	Section 6 contains further details about the interests of the Bidder in Silver Chef Shares.
When will the results of the General Meeting and Scheme Meetings be known?	The results of the General Meeting and Scheme Meetings are expected to be available shortly after the conclusion of the meetings and will be announced to ASX (www.asx.com.au) once available. Even if the Scheme is approved by the Requisite Majority of Silver Chef Shareholders at the Scheme Meetings, the Scheme will still be subject to the approval of the Court (as well as other Conditions Precedent outlined in Section 3.10).	

1 Frequently asked questions

Question	Answer	More information
What happens if the Court does not approve the Scheme or the Scheme does not otherwise proceed?	If the Scheme Resolution and Financial Assistance Resolution are not approved, or if the Scheme Resolution and Financial Assistance Resolution are approved by Silver Chef Shareholders but the Scheme is not approved by the Court or a Condition Precedent is not fulfilled or otherwise waived (if applicable), then the Scheme will not become Effective and will not be implemented. In such a scenario, Scheme Shareholders will not receive the Scheme Consideration but will retain their Silver Chef Shares and continue to be subject to general risks as well as risks specific to Silver Chef and/or the industries in which it operates, including those set out in Section 7. In particular, the existing waivers of breaches of debt covenants obtained from existing financiers under the Target Credit Facilities would need to be further extended and/or amended and there is no guarantee that this would be granted on terms favourable to Silver Chef, or at all.	Sections 3.11 and 7 contain further information on the implications for Silver Chef Shareholders if the Scheme does not become Effective.
What happens to my Silver Chef Shares if I do not vote, or if I vote against the Scheme Resolution and/or the Financial Assistance Resolution, and the Scheme becomes Effective?	If you do not vote, or vote against the Scheme Resolution and/or Financial Assistance Resolution and the Scheme becomes Effective, any Scheme Shares held by you on the Record Date (currently expected to be 5.00pm (AEST) on 18 September 2019) will be transferred to the Bidder and you will be provided with the Scheme Consideration, despite not having voted or having voted against the Scheme Resolution and/or Financial Assistance Resolution.	
What do I do if I wish to oppose the Scheme?	If you, as a Silver Chef Shareholder, wish oppose the Scheme, you may: - attend the General Meeting either in person or by proxy and vote against the Financial Assistance Resolution - attend the applicable Scheme Meeting either in person or by proxy and vote against the Scheme Resolution; and/or - if Silver Chef Shareholders pass the relevant Scheme Resolution at each Scheme Meeting and you wish to appear and be heard at the Second Court Hearing and if so advised, oppose the approval of the Scheme at the Second Court Hearing, you must lodge a notice of intention to appear at the Second Court Hearing, attend the hearing and indicate opposition to the Scheme.	
Are the Scheme Resolution and Financial Assistance Resolution conditional on each other?	The Scheme is conditional on the passage of the Financial Assistance Resolution. The Financial Assistance Resolution must be passed by Silver Chef Shareholders in order for the Scheme to proceed, unless the condition is waived by the Bidder and Silver Chef.	

Question	Answer	More information
Other questions		
What happens if Silver Chef is approached in relation to a Competing Transaction?	If Silver Chef is approached in relation to a Competing Transaction, the Independent Directors will carefully consider the proposal. Silver Chef must notify the Bidder of that approach in relation to the Competing Transaction in accordance with the Scheme Implementation Agreement. If the Competing Transaction is a Superior Proposal, this will be announced to ASX and the Independent Directors will carefully consider the proposal and advise you of their recommendation.	Section 8.1(c) contains a summary of Silver Chef's obligations in this respect under the Scheme Implementation Agreement.
Can I sell my Silver Chef Shares now?	The existence of the Scheme does not preclude you from selling some or all of your Silver Chef Shares on-market for cash, if you wish, provided you do so before close of trading on ASX on the Effective Date (currently proposed to be 11 September 2019). Silver Chef intends to apply to ASX for Silver Chef Shares to be suspended from official quotation on ASX from the close of trading on the Effective Date. You will not be able to sell your Silver Chef Shares on-market after this time. Silver Chef Shareholders who sell some or all of their Silver Chef Shares on ASX: • may receive payment (which may vary from the Scheme Consideration) for the sale of their Silver Chef Shares sooner than they would receive the Scheme Consideration under the Scheme; • may incur a brokerage charge; • will not be able to participate in the Scheme, or be entitled to receive the Scheme Consideration, or, if one emerges, be able to participate in a Superior Proposal, in respect of those Silver Chef Shares they have sold; and • may be liable for CGT on the disposal of their Silver Chef Shares.	Section 3.12 contains a summary of the choices available to Silver Chef Shareholders.

1

Frequently asked questions

Question	Answer	More information
When could Silver Chef be required to pay a Break Fee?	Under the Scheme Implementation Agreement, Silver Chef must pay a Break Fee if certain events occur, including if (in summary): - on or before 15 November 2019, a Competing Transaction is announced and within 12 months of that date the relevant third party completes a Competing Transaction or acquires a Relevant Interest in more than 50% of Silver Chef Shares; - any Independent Director fails to recommend the Scheme or withdraws their recommendation, except in certain circumstances; - the Bidder validly terminates the Scheme Implementation Agreement in accordance with its terms for: - if a Target Prescribed Event occurs or becomes known to the Bidder; - if a Material Adverse Effect occurs or becomes known to the Bidder, but only to the extent the Material Adverse Effect was caused by a deliberate act or omission of Silver Chef, or a failure by Silver Chef to take reasonable steps to prevent such occurrence; - any Independent Director failing to recommend (or changes their recommendation for) Silver Chef Shareholders to vote in favour of the Scheme; or - material breach of a term of the Scheme Implementation Agreement.	Section 8.1(e) contains further information about the Break Fee agreed by Silver Chef and the Bidder under the Scheme Implementation Agreement.
Will I have to pay brokerage or stamp duty?	You will not have to pay brokerage or stamp duty on the transfer of your Silver Chef Shares under the Scheme.	
Do I have to sign anything to transfer my Silver Chef Shares?	No. If the Scheme becomes Effective, Silver Chef will automatically have authority to sign a transfer on the behalf of all Scheme Shareholders, and the Scheme Consideration will be provided to Scheme Shareholders. You should be aware that, under the Scheme, Scheme Shareholders are deemed to have warranted to the Bidder that: - all of their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Bidder under the Scheme are fully paid and free from all encumbrances on the date of transfer of the Scheme Shares; and - each Scheme Shareholder has full power and capacity to sell and transfer the Scheme Shares to the Bidder under the Scheme together with any rights and entitlements attaching to those shares.	See Section 3.14 for further information on the warranties and power of attorney given by Scheme Shareholders. The warranties given by Scheme Shareholders are contained in clause 5.5 of the Scheme, which is contained in Attachment C.

Question	Answer	More information
What are the taxation implications of the Scheme?	If the Scheme becomes Effective and is implemented, there will be tax consequences for Scheme Shareholders which may include tax being payable on any gain on disposal of the Silver Chef Shares. Section 9.2 contains information on the possible tax treatment for Australian and New Zealand residents. The taxation implications of the Scheme will depend on each Silver Chef Shareholder's personal circumstances. Accordingly, you should seek professional advice in relation to your particular circumstances.	Section 9.2 contains further information on tax implications which may be relevant to you.
When will the Scheme become Effective?	Subject to satisfaction or waiver (if applicable) of the Conditions Precedent, including the Scheme and Financial Assistance Resolution being approved by Silver Chef Shareholders at the General Meeting and Scheme Meetings, and the Court, the Scheme will become Effective on the Effective Date (currently expected to be 11 September 2019) and will be implemented on the Implementation Date (currently expected to be 25 September 2019).	Section 8.5 contains further information on when the Scheme will become Effective.
Where can I get further information?	For further information, you can call the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) between 8.30am and 5.00pm (AEST). If you are in doubt about anything in this Scheme Booklet, please contact your financial, legal, taxation or other professional adviser.	

2

Reasons to vote for/against the Scheme Resolution and Financial Assistance Resolution

2.1 Introduction

The Scheme has a number of advantages and disadvantages which may affect Silver Chef Shareholders in different ways, depending on their individual circumstances. Silver Chef Shareholders should seek professional advice on their particular circumstances, as appropriate.

Section 2.2 provides a summary of some of the reasons why the Independent Directors have unanimously recommended you vote in favour of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal.

Section 2.2 should be read in conjunction with Section 2.3 which sets out reasons why you may wish to vote against the Scheme Resolution and Financial Assistance Resolution. You should read this Scheme Booklet in full, including the Independent Expert's Report, before deciding how to vote at the General Meeting and applicable Scheme Meeting. While the Independent Directors acknowledge the reasons to vote against the Scheme Resolution and Financial Assistance Resolution, they believe the advantages of the Scheme and Financial Assistance Resolution significantly outweigh the disadvantages.

2.2 Why you should vote in favour of the Scheme Resolution and Financial Assistance Resolution

- ✓ **The Independent Directors unanimously recommend that you vote in favour of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal**

In reaching their recommendation, each Independent Director has assessed the Scheme Resolution and Financial Assistance Resolution with regard to the reasons to vote for or against the resolutions, as set out in this Scheme Booklet.

Among other things the Independent Directors carefully assessed following factors.

Available options for addressing breach of debt covenants

The Independent Directors assessed the currently available options for addressing Silver Chef's current breaches of debt covenants under its Syndicated Debt Facility and Securitisation Warehouse Facility, which, based on the waivers received from Silver Chef's financiers, required Silver Chef to raise a minimum of \$45 million to partially repay the Syndicated Debt Facility and ensure Silver Chef's net debt to net rental assets ratio was at least 65%.

The Independent Directors pursued a number of alternative options prior to entering into the Scheme Implementation Agreement. These options included:

- introducing subordinated debt to Silver Chef's capital and debt structure;
- introducing subordinated debt and undertaking a concurrent equity raise; and
- a take private option and recapitalisation by the acquirer, which ultimately culminated in the Scheme.

The Independent Directors also considered an orderly winding down of Silver Chef's business to reduce debt levels.

The Independent Directors assessed the Scheme as providing greater value and certainty for Silver Chef Shareholders than each of the alternative options. In making this assessment the Independent Directors took the following into account:

- Silver Chef conducted an extensive process with a number of potential mezzanine financiers commencing in September 2018 to obtain subordinated debt.
- Of the indicative proposals received through this process, one party was selected as being the most progressed and likely to have the greatest prospects of success. Silver Chef entered into exclusivity arrangements with that debt provider in January 2019.
- The debt provider proposed that, subject to due diligence, it would provide \$45 million of subordinated debt conditional on a minimum equity raising of \$20 million.
- Silver Chef appointed a lead manager to facilitate the equity raising and an independent accountant to review its financial accounts and forecast information in anticipation of an equity raising in March 2019.
- The equity raising was subsequently delayed following additional conditions being imposed on Silver Chef by its financiers resulting from continuing reporting issues in relation to the Securitisation Warehouse Facility.
- Following the delay, the prospects of raising the equity required under the terms of the preferred subordinated debt provider has become increasingly uncertain in the context of:
 - restrictions on Silver Chef's ability to write new business (due to the restrictions on drawing down on its Syndicated Debt Facility to make acquisitions and restriction on asset sell-ins to the Securitisation Warehouse Facility, as announced to ASX on 1 March 2019);
 - the subordinated debt provider requesting changes to the terms of the proposed subordinated debt, which were very unfavourable to Silver Chef;

- deterioration in the prospects of Silver Chef due to capital constraints and operating environment;
- the failure of an ASX-listed competitor to raise capital and the placement of that competitor into voluntary administration;
- advice received that the existing shareholder base could not support a rights issue of \$20 million equity alone and that new investors would need to provide some of the equity to be raised;
- due to the uncertainties as outlined in this Section, it is difficult for the Independent Directors to demonstrate reasonable grounds in providing the financial forecast information that would be required in connection with any equity to be raised from new investors; and
- given the declining price of Silver Chef Shares trading on the ASX, a \$20 million equity raising involving new investors would comprise a larger proportion of Silver Chef's issued capital post-raising and a significant dilutionary impact for existing shareholders.
- Silver Chef's modelling also indicated that, if Silver Chef did not proceed with a recapitalisation (whether from subordinated debt, equity or both), an orderly winding down of Silver Chef's business to repay existing debt provides an inferior outcome for Silver Chef Shareholders when compared to the Scheme.

Ongoing uncertainties and risks if the Scheme does not proceed

The Independent Directors have considered the ongoing uncertainties and risks Silver Chef would face if it were to continue standalone operations, particularly in relation to the continued support of its financiers.

Silver Chef's financiers have granted successive waivers for breaches of financial covenants since 30 June 2018 conditional on Silver Chef raising a minimum of \$45 million to partially repay the Syndicated Debt Facility and to ensure the net debt to net rental assets ratio was at least 65%.

If the Scheme does not proceed, there is no guarantee that Silver Chef's financiers would continue to extend waivers in the absence of any alternative viable proposal. If the waivers are not extended, the financiers may (amongst other options) require Silver Chef to immediately cease originations and commence an orderly wind down of its business.

The Independent Directors expect the return to Silver Chef Shareholders in an orderly run down of the business to be materially less than the Scheme Consideration and has significant execution risks associated with such run down.

The Independent Directors can provide no guarantee that Silver Chef's financiers would provide their consent to an orderly run down and Silver Chef may be forced to enter into voluntary administration or secured creditors may also seek to enforce their security by appointing receivers and managers to Silver Chef's assets.

Silver Chef's ability to raise necessary capital

The Independent Directors have considered Silver Chef's ability to raise the necessary capital to service outstanding and future debt obligations and the likely terms on which any such capital may be made available.

The above factors taken together have progressively and significantly reduced the near-term financial outlook for Silver Chef and made its ability to continue to operate in the market and maintain the support of its customers and dealer networks increasingly difficult. This has resulted in a material adverse impact on the HY2019 financial results and will have a material impact on the FY2019 and FY2020 outlook.

Based on these considerations, in the absence of a Superior Proposal, and subject to the Independent Expert continuing to conclude the Scheme to be in the best interests of Silver Chef Shareholders, each Independent Director intends to vote in favour of the Scheme Resolution and Financial Assistance Resolution.

As outlined above, the Independent Directors have pursued alternative avenues for raising the necessary capital required to address current breaches of the Target Credit Facilities and to have a basis on which Silver Chef could continue to access those facilities to write new business and grow its assets. If the Scheme is implemented, the Bidder has agreed to recapitalise Silver Chef, addressing financier requirements and providing continuity for Silver Chef, its customers and employees.

✓ The Independent Expert has concluded that the Scheme is not fair but is reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders in the absence of a Superior Proposal

The Independent Expert's assessment of the value of a Silver Chef Share on a controlling basis is between \$0.90 and \$1.13 per Silver Chef Share. The Independent Expert assessed the value of the Scheme Consideration as between \$0.73 and \$0.76 per Silver Chef Share, on a fully diluted basis. As the range of Scheme Consideration is below the range of a Silver Chef Share on a controlling basis, the Independent Expert considers the Scheme to be not fair to Scheme Shareholders.

2

Reasons to vote for/against the Scheme Resolution and Financial Assistance Resolution

The Independent Expert also considered the commercial and qualitative factors of the Scheme, including the following advantages:

- the financial position of Silver Chef and limited options available to it;
- the Scheme Consideration premium compared to the price of Silver Chef Shares prior to the date of announcement of the Scheme on 3 July 2019;
- the timing and certainty of value of selling Silver Chef Shares in the Scheme;
- that there will be no transaction costs from the sale of Silver Chef Shares in the Scheme;
- that no Superior Proposal has emerged;
- that Silver Chef Share price may fall if the Scheme is not implemented; and
- the continued support of Silver Chef's financiers would be required if the Scheme did not proceed.

The Independent Expert therefore concluded that the Scheme is not fair but reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders.

Please also refer to the Independent Expert's discussion in respect of the advantages of the Scheme in section 7 of the Independent Expert's Report.

✓ No Superior Proposal has been received as at the date of this Scheme Booklet

As at the date of this Scheme Booklet, no Superior Proposal has emerged and the Independent Directors are not aware of any Superior Proposal that is likely to emerge.

✓ You will no longer be subject to risks associated with Silver Chef's business

There are a range of specific risks associated with Silver Chef's business and general market risks that Silver Chef Shareholders will continue to be subject to if the Scheme does not proceed. These risks include, but are not limited to, the general investment risks and specific risks relating to an investment in Silver Chef set out in Sections 7.2 and 7.3, including the risk that Silver Chef does not receive the ongoing support from its financiers through additional waivers under an alternative proposal to address debt covenant breaches.

✓ The Scheme provides you with the opportunity to realise value for your Silver Chef Shares

Subject to the Scheme becoming Effective, the Cash Scheme Consideration of \$0.70 per Silver Chef Share provides Scheme Shareholders (other than Electing Founder Shareholders) with the opportunity to realise value in their Silver Chef Shares.

The Independent Directors explored the potential to structure the Scheme Consideration to comprise payment of a special franked dividend. However, due to Silver Chef's negative retained earnings position and with losses expected to continue in Q1 FY20, it was determined that Silver Chef would not be in a position to declare a franked dividend.

If the Scheme is implemented, the Contingent Value Notes will provide an opportunity for Silver Chef Shareholders (other than Electing Founder Shareholders) to participate in potential upside from the run-off of the GoGetta Business. However, the Independent Directors can give no assurance as to the ultimate value of the Contingent Value Notes.

If the Scheme does not proceed, Silver Chef Shareholders who wish to realise value in their Silver Chef Shares would have to trade their Silver Chef Shares on the ASX and be subjected to volatility in the share price.

✓ If the Scheme does not proceed, and no Superior Proposal emerges, the price of Silver Chef Shares may fall

If the Scheme is not implemented, and assuming Silver Chef Shares remain traded on the ASX, Silver Chef Shares will continue to be subject to market volatility, including general stock market movements, the impact of general economic conditions and demand for listed securities. As such, if the Scheme is not implemented, the price at which Silver Chef Shares trade may fall further.

In addition, the existing waivers of breaches of debt covenants obtained from Silver Chef's financiers under the Target Credit Facilities would need to be further extended and/or amended and there is no guarantee that they would be granted on terms favourable to Silver Chef, or at all.

2.3 Why you may wish to vote against the Scheme Resolution and Financial Assistance Resolution

- X** You may disagree with the Independent Directors' recommendation and the Independent Expert's conclusion and believe that the Scheme Resolution and Financial Assistance Resolution are not in your best interests

Despite the view of the Independent Directors and the Independent Expert, you may believe that the Scheme Resolution and Financial Assistance Resolution are not in the best interests of Silver Chef Shareholders or not in your individual best interests.

- X** The Independent Expert has concluded that the Scheme is not fair but is reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders in the absence of a Superior Proposal

As noted above, the Scheme Consideration has been assessed at between \$0.73 to \$0.76 per Silver Chef Share, which is below the Independent Expert's assessment of the value of a Silver Chef Share on a controlling basis of between \$0.90 and \$1.13 per Silver Chef Share. Accordingly, you may consider that the Scheme Consideration does not reflect the value of your investment.

The Independent Expert has concluded that the Scheme is not fair but reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders.

- X** You may wish to maintain your investment profile

You may wish to maintain your investment profile in Silver Chef in order to have an investment in a publicly listed company with the specific characteristics of Silver Chef – in terms of industry, operational profile, size, capital structure and potential dividend stream.

Implementation of the Scheme may disadvantage those Silver Chef Shareholders (other than Electing Founder Shareholders) who wish to maintain their investment profile in Silver Chef, as they may find it difficult to find an investment with a similar profile to Silver Chef. However, if the Scheme does not proceed, the existing waivers of breaches of debt covenants obtained from Silver Chef's financiers under the Target Credit Facilities would need to be further extended and/or amended and there is no guarantee that they would be granted on terms favourable to Silver Chef, or at all. This may impact the value of Silver Chef's shares and the ability to trade Silver Chef share on ASX.

- X** You may consider that there is potential for a Superior Proposal for Silver Chef to be made in the foreseeable future

It is possible that, if Silver Chef were to continue trading as a standalone entity, an alternative corporate control proposal for Silver Chef could materialise in the future, such as a takeover bid with a higher price. Implementation of the Scheme will mean that Silver Chef Shareholders (other than Electing Founder Shareholders) will not receive the benefit of any such proposal.

However, since the announcement by Silver Chef on 11 April 2019 of the receipt of a proposal from Next Capital which has culminated in the Scheme and up to the date of this Scheme Booklet, no Superior Proposal (nor any other viable alternative proposal) has emerged and the Independent Directors are not aware of any Superior Proposal (nor any other viable alternative proposal) that is likely to emerge.

- X** You may prefer to participate in the future financial performance of the Silver Chef business

You may believe that the future prospects of Silver Chef exceed the value of Silver Chef which is implied by the Scheme Consideration, despite the view of the Independent Directors and the opinion of the Independent Expert, and that you are comfortable remaining invested in Silver Chef notwithstanding the risk factors set out in Section 7.

If the Scheme is approved and becomes Effective and you are not an Electing Founder Shareholder, you will cease to be a Silver Chef Shareholder. As such, you will no longer be able to participate in the future financial performance or future prospects of Silver Chef's ongoing business. However, as with all investments in securities, there is no guarantee as to Silver Chef's future performance and there are material risks to Silver Chef if the Scheme does not proceed, as set out in out in Section 7.

If the Scheme is approved and becomes Effective, Silver Chef will be removed from the official list of the ASX. Following delisting, investors will no longer be able to acquire or trade in Silver Chef Shares on the ASX

3

Summary of the Scheme

3.1 Background

On 3 July 2019, Silver Chef announced that it had entered into a Scheme Implementation Agreement with the Bidder under which it is proposed that the Bidder acquire all Scheme Shares through a scheme of arrangement for the Scheme Consideration.

If the Scheme becomes Effective, Silver Chef will become owned by the Bidder and (if applicable) the Electing Founder Shareholders.

This Section 3 contains an overview of the Scheme, a copy of which is included in Attachment C. A summary of the Scheme Implementation Agreement is included in Section 8 and a copy of the Scheme Implementation Agreement is attached to Silver Chef's ASX announcement of 3 July 2019 (available on the ASX website at www.asx.com.au).

3.2 Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders (other than Electing Founder Shareholders) will receive:

- Cash Scheme Consideration of \$0.70; and
- one Contingent Value Note,

for each Silver Chef Share they hold as at the Record Date.

Electing Founder Shareholders, being those Founder Shareholders who have made a valid election to retain their Silver Chef Shares will not receive the Scheme Consideration.

3.3 Election by Founder Shareholders

Only Founder Shareholders may make a valid election to retain their Silver Chef Shares.

Founder Shareholders who make a valid election to retain their Silver Chef Shares will:

- retain their Silver Chef Shares (in lieu of receiving the Scheme Consideration) and participate in the future financial performance of Silver Chef;
- be required to enter into the Shareholders' Deed, which contains amongst other things restrictions on dealings with Silver Chef Shares after the Implementation Date. A summary of the key terms of the Shareholders' Deed is set out in Section 6.4;
- be diluted by the Equity Injection detailed in Section 6.5(c);
- continue to be subjected to the risks set out in Section 7.2 and 7.3, except that Silver Chef will be de-listed from ASX following the Implementation Date and there will be no liquid market for Silver Chef Shares; and
- be a minority holder in Silver Chef.

Given the minority holding, lack of marketability and the rights and restrictions under the Shareholders' Deed for Electing Founder Shareholders, the Independent Expert has assessed the fair value (post implementation of the Scheme and recapitalisation of Silver Chef) of the Retained Shares as between \$0.57 to \$0.71 per share, after applying an appropriate combined discount for lack of control and lack of marketability.

There is no assurance that the future value of Retained Shares will be equal to or higher than the value of the Scheme Consideration. There will be tax consequences on the future disposal of Retained Shares by Electing Shareholders.

3.4 How to make an election to retain Silver Chef Shares

If you are a Founder Shareholder, you may elect to retain your Silver Chef Shares by completing and returning an Election Form (including the Election Deed Poll attached to the Election Form). An election will only be valid if it is made using an Election Form and is received by the Share Registry by no later than 5.00pm on 22 August 2019.

Founder Shareholders may call the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) between 8.30am and 5.00pm (AEST) to request an Election Form be sent to them.

Founder Shareholders cannot nominate only a portion of their Silver Chef Shares for the purposes of the election. Valid elections will apply to all Silver Chef Shares held by a Founder Shareholder as at the Record Date. Founder Shareholders may subsequently withdraw an election by providing signed written notice to the Share Registry prior to 5.00pm on 22 August 2019 setting out your name, address, Securityholder Reference Number (SRN) or Holder Identification Number (HIN), as applicable, and your intention to withdraw your Election Form.

Founder Shareholders who do not submit an Election Form or whose election is invalid (for example, if the Election Form is received by the Share Registry after 5.00pm on 22 August 2019), will receive the Scheme Consideration in respect of the Silver Chef Shares held by them at the Record Date.

3.5 Nominating a bank account with Silver Chef

For those Scheme Shareholders from whom a valid request for direct credit of payment has been received by the Share Registry by the Record Date (currently proposed to be 5.00pm (AEST) on 18 September 2019), the Cash Scheme Consideration will be paid directly to their nominated bank account with an Australian ADI.

You can change or nominate a bank account with an Australian ADI in which to receive payment of the Cash Scheme Consideration by visiting www.investorserve.com.au and logging in using your unique SRN or HIN or downloading the form from the Share Registry's website at www.boardroomlimited.com.au.

You may also call the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) between 8.30am and 5.00pm (AEST) to request a hard-copy direct credit instruction form. Scheme Shareholders must validly register their bank account details with the Share Registry before the Record Date (currently proposed to be 5.00pm (AEST) on 18 September 2019)

3.6 Scheme Shareholders who have not nominated a bank account with Silver Chef

In the event that:

- Silver Chef is unable to pay the Cash Scheme Consideration by direct credit to the Scheme Shareholders who have nominated a bank account with the Share Registry, including where the bank account details provided are not with an Australian ADI; or
- Scheme Shareholders do not nominate an Australian ADI bank account with the Share Registry,

those Scheme Shareholders will receive the Cash Scheme Consideration by cheque sent by pre-paid post.

3.7 Independent Directors' recommendation

The Independent Directors unanimously recommend that Silver Chef Shareholders vote in favour of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Scheme to be in the best interests of Silver Chef Shareholders.

The Independent Directors believe that the reasons for Silver Chef Shareholders to vote in favour outweigh the reasons to vote against the Scheme Resolution and Financial Assistance Resolution.

Mr Allan English has had no involvement in the recommendation made by the Independent Directors.

See Section 2.2 for key reasons for vote in favour of the Scheme Resolution and Financial Assistance Resolution and other relevant considerations for Silver Chef Shareholders.

In considering whether to vote in favour of the Scheme Resolution and Financial Assistance Resolution, the Independent Directors encourage you to:

- carefully read all of this Scheme Booklet (including the Independent Expert's Report);
- consider the choices available to you as outlined in Section 3.12;
- have regard to your individual risk profile, portfolio strategy, taxation position and financial circumstances; and
- obtain financial advice from your broker or financial adviser on the Scheme and obtain taxation advice on the effect of the Scheme becoming Effective.

Summary of the Scheme

3.8 Voting intentions of the Independent Directors

Each Independent Director intends to vote all Silver Chef Shares held by them or controlled by them in favour of the Scheme Resolution and Financial Assistance Resolution in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders.

Mr Allan English has not expressed a view regarding his voting intentions.

3.9 Independent Expert's conclusions

Silver Chef commissioned the Independent Expert to prepare a report on whether or not the Scheme is fair and reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders.

The Independent Expert has assessed the underlying value for Silver Chef to be in the range of \$0.90 to \$1.13 per Silver Chef Share on a controlling basis. As:

- the Scheme Consideration of \$0.73 to \$0.76 per Silver Chef Share (including a value of \$0.03 to \$0.06 per Contingent Value Note); and
- for Electing Founder Shareholders, the fair value (post implementation of the Scheme and recapitalisation of Silver Chef) of Retained Shares of between \$0.57 to \$0.71 per share,

(each as assessed by the Independent Expert) are below this range, the Independent Expert has concluded that the Scheme is not fair to Scheme Shareholders.

However, the Independent Expert has concluded, having regard to the commercial and qualitative factors outlined in section 7 of the Independent Expert's Report, that the Scheme is reasonable to, and in the Independent Expert's opinion in the best interests of, Scheme Shareholders.

The Independent Expert's Report is contained in Attachment A. The Independent Directors encourage you to read the Independent Expert's Report in full before deciding whether to vote in favour of the Scheme Resolution and Financial Assistance Resolution.

3.10 Conditions to the Scheme

The implementation of the Scheme is still subject to a number of Conditions Precedent. The Conditions Precedent are set out in full in clause 3.1 of the Scheme Implementation Agreement, a copy of which is attached to Silver Chef's ASX announcement of 3 July 2019 (available on the ASX website at www.asx.com.au).

The Scheme will not proceed unless all the Conditions Precedent are satisfied or waived (if applicable) in accordance with the Scheme Implementation Agreement. As at the Last Practicable Date, the Directors are not aware of any reason why these Conditions Precedent would not be satisfied or waived with the agreement of the Bidder.

A summary of the Conditions Precedent is included in Section 8.1(b). See also Section 9.4 for more information about the status of the Conditions Precedent as at the Last Practicable Date.

3.10 Implications if Scheme does not proceed

If the Scheme does not become Effective:

- Silver Chef will continue to operate as an independent entity;
- Scheme Shareholders will continue to hold their Silver Chef Shares and will be exposed to general risks as well as risks specific to Silver Chef and/or the industries in which it operates, including those discussed in Sections 2.2 and 7. In particular, the conditions under existing waivers of breaches of debt covenants obtained from existing financiers under the Target Credit Facilities would need to be renegotiated and further extended. There is no guarantee that the waivers would be extended or renegotiated on terms favourable to Silver Chef;
- Scheme Shareholders will not receive the Scheme Consideration; and
- a Break Fee may be payable by Silver Chef to the Bidder in certain circumstances described in Section 8.1(e).

Prior to the General Meeting and Scheme Meetings, Silver Chef has incurred, or committed to, transaction costs in relation to the Scheme. Those transaction costs will be payable by Silver Chef regardless of whether or not the Scheme becomes Effective and is implemented.

The Independent Directors are of the opinion that if the Scheme does not become Effective, the price of Silver Chef Shares on the ASX is likely to fall, in the absence of a Superior Proposal.

3.12 Your choices as a Silver Chef Shareholder

As a Silver Chef Shareholder, you have the following choices available:

Vote in favour of the Scheme Resolution and Financial Assistance Resolution	This is the course of action unanimously recommended by the Independent Directors, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders To follow the unanimous recommendation of the Independent Directors, you should vote in favour of the Scheme Resolution at the applicable Scheme Meeting and Financial Assistance Resolution at the General Meeting on 6 September 2019. For a summary of how to vote on the Scheme Resolution and Financial Assistance Resolution, please refer to the Section "Overview of this Scheme Booklet" (commencing on page 2). The Scheme is conditional on the Scheme Resolution and Financial Assistance Resolution being passed by the Requisite Majority.
Vote against the Scheme	If, despite the unanimous recommendation of the Independent Directors, you do not support the Scheme and/or the Financial Assistance Resolution, you may vote against the Scheme Resolution and/or the Financial Assistance Resolution at the General Meeting and applicable Scheme Meeting on 6 September 2019. However, if all the Conditions Precedent for the Scheme are satisfied or waived (if applicable) and the Scheme becomes Effective, the Scheme will bind all Scheme Shareholders, including those who vote against the Scheme Resolution and/or the Financial Assistance Resolution and those who do not vote at all.
Sell your Silver Chef Shares	The existence of the Scheme does not preclude you from selling some or all of your Silver Chef Shares on market for cash, if you wish, provided you do so before close of trading on ASX on the Effective Date (currently proposed to be 11 September 2019). Silver Chef intends to apply to ASX for Silver Chef Shares to be suspended from official quotation on ASX from the close of trading on the Effective Date. You will not be able to sell your Silver Chef Shares on-market after this time. If you are considering selling some or all of your Silver Chef Shares: • you should have regard to the prevailing trading prices of Silver Chef Shares and compare those to the Scheme Consideration. You may ascertain the current trading price of Silver Chef Shares through the ASX website (www.asx.com.au); and • you should contact your stockbroker for information on how to effect that sale. Silver Chef Shareholders who sell some or all of their Silver Chef Shares on ASX: • may receive payment (which may vary from the Scheme Consideration) for the sale of their Silver Chef Shares sooner than they would receive the Scheme Consideration under the Scheme; • may incur a brokerage charge; • will not be able to participate in the Scheme, or, if one emerges, a Superior Proposal, in respect of those Silver Chef Shares they have sold; and • may be liable for CGT on the disposal of their Silver Chef Shares (as you also may be under the Scheme).
Do nothing	Scheme Shareholders who elect to not vote at the General Meeting and/or applicable Scheme Meeting on 6 September 2019 or do not sell their Silver Chef Shares on market will: • if the Scheme becomes Effective – have their Scheme Shares transferred to the Bidder, by operation of the Scheme and receive the Scheme Consideration for each Scheme Share held by them; and • if the Scheme does not become Effective – retain their Scheme Shares.

3

Summary of the Scheme**3.13 Copy of Silver Chef Share Register**

Under sections 169 and 173 of the Corporations Act, any Silver Chef Shareholder has a right to inspect, and to ask for a copy of, the Silver Chef Share Register which contains details of the names and addresses of each Silver Chef Shareholder.

Silver Chef may require a Silver Chef Shareholder to provide reasons for their request prior to providing a copy of the Silver Chef Share Register, and a Silver Chef Shareholder must not use any information obtained for an improper purpose. A copy of the Silver Chef Share Register will be given to any Silver Chef Shareholder upon request and payment of the prescribed fee under the Corporations Act where Silver Chef is satisfied that the details provided are not likely to be used for an improper purpose.

3.14 Warranty and power of attorney by Scheme Shareholders

The terms of the Scheme provide that each Scheme Shareholder (other than Electing Founder Shareholders) is taken to have authorised Silver Chef to warrant to the Bidder that:

- all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under the Scheme will, as at the date of the transfer, be fully paid and free from all encumbrances (including any “security interest” for the purpose of the Personal Property Securities Act 2009 (Cth)); and
- they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Bidder under the Scheme.

Under the terms of the Scheme, Silver Chef undertakes that it will provide such warranty to the Bidder as agent and attorney of each Scheme Shareholder (other than Electing Founder Shareholders).

Subject to the Scheme becoming Effective, each Scheme Shareholder (other than Electing Founder Shareholders) irrevocably appoints Silver Chef and each of its Directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- executing any document necessary or expedient to give effect to the Scheme including the Scheme Share transfer; and
- enforcing the Deed Poll against the Bidder.

3.15 No brokerage or stamp duty

No brokerage or stamp duty will be payable by Scheme Shareholders on the transfer of their Scheme Shares to the Bidder under the Scheme.

3.16 Delisting of Silver Chef

On a date after the Implementation Date, the Bidder will apply for the termination of the official quotation of Silver Chef Shares on ASX and for Silver Chef to be removed from the official list of ASX.

Contingent Value Notes

4.1 Overview

The Contingent Value Notes form part of the Scheme Consideration and will be issued by Silver Chef to the Scheme Shareholders (other than Electing Founder Shareholders and Ineligible Foreign Shareholders) on the Implementation Date. As at the date of this Scheme Booklet, no Contingent Value Notes are on issue. Accordingly, no Contingent Value Notes have been sold in the three months prior to the date of this Scheme Booklet.

The terms of the Contingent Value Notes are set out in full in the Note Trust Deed. A summary of these terms are set out in Section 4.6 and a full copy of the Note Trust Deed is contained in Attachment D.

The issue of Contingent Value Notes in accordance with the Scheme does not constitute an offer of Contingent Value Notes or any other debt security in any jurisdiction which, or to any person whom, it would not be lawful to issue or to make an offer of such securities. No action has been taken to permit the issue of Contingent Value Notes in any jurisdiction outside of Australia.

4.2 Issue of Contingent Value Notes

Silver Chef will on the Implementation Date issue to each Scheme Shareholder (other than Electing Founder Shareholders and Ineligible Foreign Shareholders) one Contingent Value Note for each Scheme Share held as at the Record Date in accordance with and subject to the terms of the Scheme and the Note Trust Deed.

Silver Chef's only liability with respect to the Contingent Value Notes is its obligation to pay the Redemption Amount (if any).

The Contingent Value Notes will be unsecured and rank equally in all respects (including as to payment) as between themselves.

Under the Deed Poll, the Bidder has provided an undertaking in favour of Scheme Shareholders to provide or procure Silver Chef to provide the Contingent Value Notes in accordance with the terms of the Scheme.

The obligations of the Bidder to procure the issue of Contingent Value Notes will be satisfied by Silver Chef registering or procuring the registration of the name and address of each Scheme Shareholder (other than Electing Founder Shareholders and Ineligible Foreign Shareholders) and the Custodian on the Notes Register as the holder of the Contingent Value Notes to which the Scheme Shareholder or Custodian, as applicable, is entitled.

The Custodian may transfer all (but not some only) of the Contingent Value Notes held by it (**Custodian CVNs**) to a person nominated by Silver Chef if the Custody Agreement is terminated in accordance with the Note Trust Deed. Otherwise, the Contingent Value Notes are non-transferrable, other than as a result of operation of law or devolution.

4.3 Information on Note Trustee

Melbourne Securities Corporation Limited ABN 57 160 326 545 (**MSC**) has been appointed as the Note Trustee pursuant to section 283AA(1) of the Corporations Act to hold certain rights of the Noteholders on trust.

MSC's appointment as Note Trustee is subject to approval by ASIC pursuant to section 283GB of the Corporations Act.

MSC holds an Australian financial services licence, licence number 428289 and Australian credit licence, licence number 428289.

Contingent Value Notes

4.4 Ineligible Foreign Shareholders

The issue of Contingent Value Notes in accordance with the Scheme as set out in this Scheme Booklet does not constitute an offer of Contingent Value Notes, or any debt security, in any jurisdiction in which, or to any person to whom, it would not be lawful to issue or to make an offer of such securities. No action has been taken to permit the issue of Contingent Value Notes in any jurisdiction outside Australia and New Zealand. Silver Chef has no obligation under the Scheme to issue Contingent Value Notes to an Ineligible Foreign Shareholder.

Under the terms of the Scheme, Silver Chef will, on the Implementation Date, issue to the Custodian the total number of Contingent Value Notes that would otherwise have been issued to the Ineligible Foreign Shareholders, if those Ineligible Foreign Shareholders were Scheme Shareholders entitled to receive Contingent Value Notes.

The Custodian undertakes to:

- procure the payment of, to each Ineligible Foreign Shareholder, the cash amount set out below (if any); and
- give the chair of each meeting of Noteholders, an open proxy to vote all of the Custodian CVNs as the chair sees fit, to be given within the time required under and otherwise in accordance with the Note Trust Deed.

The obligations of Silver Chef to the issue of Contingent Value Notes to the Custodian will be satisfied by Silver Chef:

- registering or procuring the registration of the name and address of the Custodian on the Notes Register as the holder of the Custodian CVNs; and
- procuring that the Custodian (or its replacement from time to time) is appointed to:
 - hold the Custodian CVNs until the earlier of:
 - » the termination of the Note Trust Deed; and
 - » the redemption or cancellation of the Custodian CVNs in accordance with the terms of the Note Trust Deed; and
 - promptly following receipt of the aggregate Redemption Amount for the Custodian CVNs, remit to each Ineligible Foreign Shareholder a cash amount determined as follows:

Cash amount to be paid to each Ineligible Foreign Shareholder = Redemption Amount x A

Where A = the total number of Scheme Shares held by that Ineligible Foreign Shareholder at the Record Date.

4.5 Redemption of Contingent Value Notes

The following Section 4.5 sets out a summary of the rights attaching to the Contingent Value Notes. The terms of the Contingent Value Notes are set out in full in the Note Trust Deed, a copy of which is contained in Attachment D.

(a) Redemption Amount

The Redemption Amount for each Contingent Value Note will be calculated (in accordance with the terms set out in the Note Trust Deed) on 50% of the net cash proceeds above \$10 million recouped by the Silver Chef Group in running down the GoGetta Business (net of all outgoings and claims including contingent costs and expenses incurred) between 3 July 2019 (being the date of the Scheme Implementation Agreement) and the Determination Date of 30 June 2021 and divided by the total number of Silver Chef Shares on issue on the Implementation Date. No Redemption Amount is payable until Silver Chef's Facility B under the Syndicated Debt Facility has been repaid in full.

Full details of the formula for calculating the GoGetta Run Off Amount and Redemption Amount are set out in the Note Trust Deed.

If the net cash proceeds recouped in running down the GoGetta Business do not exceed \$10 million as at the Determination Date, no Redemption Amount will be paid and all Contingent Value Notes will be cancelled.

(b) Independent Assessor

No later than 3 months before the Determination Date of 30 June 2021, Silver Chef must appoint an independent assessor for the purposes of verifying the GoGetta Run Off Amount and Redemption Amount, if any (**Independent Assessor**).

Within 60 days of the Determination Date of 30 June 2021, Silver Chef must determine the proposed GoGetta Run Off Amount and Redemption Amount.

No later than 3 months before the Determination Date, Silver Chef must instruct the Independent Assessor to verify the GoGetta Run Off Amount and Redemption Amount within 30 days and provide all information reasonably required by the Independent Assessor to enable the Independent Assessor to conduct the review.

Silver Chef will have a period of 7 days to review the draft report of the Independent Assessor and provide submissions, if any. The Independent Assessor must consider the submissions and issue its final report within 7 days of receiving the submissions from Silver Chef.

Absent any manifest error or fraud, the determination of the Independent Assessor will be final and binding on all parties.

(c) Redemption Conditions and payment of Redemption Amount (if any)

The Contingent Value Notes will only be redeemable if all of the Redemption Conditions are satisfied. If any Redemption Condition is not satisfied, no obligation to pay the Redemption Amount in respect of any Contingent Value Note will arise.

The Redemption Conditions will be satisfied if:

- the Independent Assessor has completed its independent review of the GoGetta Amount and Redemption Amount and issued the Redemption Determination Notice to Silver Chef; and
- the Redemption Amount is greater than \$0.

If the Redemption Conditions are satisfied, Silver Chef must redeem the Contingent Value Notes by:

- notifying the Note Trustee in writing that the Redemption Conditions have been satisfied and providing a copy of the Redemption Determination Notice to the Note Trustee (if not already provided) within 5 Business Days after the date on which the last of the Redemption Conditions was satisfied; and
- paying to each Noteholder the aggregate total Redemption Amount for all Contingent Value Notes held by the Noteholder on the Determination Date, rounded up or down to the nearest whole cent within 14 days of receiving the Redemption Determination Notice.

4.6 Summary of the Note Trust Deed

This Section 4.6 summarises the key terms of the Note Trust Deed including the rights of the Noteholders. The Note Trustee has been appointed under the Note Trust Deed to represent the Noteholders. A full copy of the Note Trust Deed is contained in Attachment D.

(a) Note Trustee

Silver Chef has entered into the Note Trust Deed to provide for the appointment of Melbourne Securities Corporation Limited ABN 57 160 326 545 as trustee for the Noteholders in accordance with sections 283AA and 283AC of the Corporations Act, subject to approval by ASIC.

(b) Meeting of Noteholders

The Note Trustee or Silver Chef may at any time convene a meeting of the Noteholders and either must do so if required by the Corporations Act. The Note Trustee must do so upon the occurrence of an Event of Default (as summarised in Section 4.6(f)).

(c) Noteholder right to call meetings

Silver Chef undertakes to hold a meeting of Noteholders if required to do so on application in writing from the holders of not less than 10% of the total number of Contingent Value Notes on issue delivered to its registered office, with a copy of the application delivered to the Note Trustee.

After receiving the requisite application above, Silver Chef (by giving notice to each of the Noteholders at the Noteholder's address as specified in the Note Register) will call a meeting of Noteholders:

- to consider the financial statements that were laid before the last annual general meeting of Silver Chef; and
- to give the Note Trustee directions in relation to the exercise of its powers.

A requisition of a meeting called by Noteholders as set out above must state the general nature of the business proposed to be dealt with at the meeting. Meetings of Noteholders must be held at such place as the Note Trustee and Silver Chef from time to time reasonably determine or approve.

In the event that Silver Chef does not issue a notice of meeting as required above within 15 Business Days of receipt of the requisite application, the Note Trustee must convene the meeting forthwith.

(d) Quorum

At any meeting of Noteholders, there will be quorum if:

- two or more Noteholders present in person or by proxy or attorney are present and entitled to vote; and
- the Noteholders who are so present hold more than 10% of the total Contingent Value Notes on issue at the time of the meeting.

(e) Resolution at meetings

A resolution will be deemed duly passed as a special resolution if it is approved in either of the following ways:

- by a resolution in writing signed by Noteholders that represent not less than 75% of the total number of Contingent Value Notes then on issue, which resolution may be contained in one document or in several documents in like form each signed by one or more Noteholders; or
- at a meeting of Noteholders, by not less than 75% of the votes cast.

Contingent Value Notes

Any resolution (other than a special resolution) of the Noteholders will be duly passed if it is approved in any one of the following ways:

- by a resolution in writing signed by Noteholders who represent more than 50% of the total number of Contingent Value Notes then on issue which resolution may be contained in one document or in several documents in like form each signed by one or more Noteholders; or
- at a meeting of Noteholders, if carried by a simple majority of the votes cast.

The Noteholders as recorded in the Notes Register 48 hours before the time appointed for the holding of the meeting will be the only Noteholders entitled to vote on or sign any such resolution and the Contingent Value Notes so recorded at such time are the only Contingent Value Notes taken into account in determining whether the requisite majority has been obtained.

(f) Events of Default

Each of the following is an event of default (**Event of Default**) (whether or not it is in the control of Silver Chef):

- (**Failure to pay Redemption Amount**) if, following satisfaction of both Redemption Conditions, Silver Chef fails to pay the Redemption Amount in respect of any Contingent Value Note in accordance with the Note Trust Deed and such failure continues unremedied for a period of five Business Days;
- (**Administration, winding up, insolvency etc**) an insolvency event occurs in respect of Silver Chef prior to payment of the Redemption Amount; and
- (**Breach**) Silver Chef is in breach of any material undertaking under the Note Trust Deed or the terms of issue in respect of the Contingent Value Notes (other than those referred to in the bullet points directly above), which breach is not rectified to the reasonable satisfaction of the Note Trustee within 20 Business Days of notice by the Note Trustee to do so.

Upon the occurrence of an Event of Default, the Note Trustee must convene a meeting of Noteholders to consider the Event of Default and the Noteholders will have the following powers exercisable by ordinary resolution:

- to direct the Note Trustee to take any particular action under the Note Trust Deed or the Contingent Value Notes;
- to direct the Note Trustee to commence legal proceedings against Silver Chef to recover any outstanding Redemption Amount, owing in respect of the Contingent Value Notes; and
- to direct the Note Trustee to take such other action as the Noteholders deem appropriate to recover any outstanding Redemption Amount owing in respect of the Contingent Value Notes,

and the Note Trustee must comply with those directions subject to any applicable law (including Chapter 2L of the Corporations Act), and the terms of the Note Trust Deed.

At any time after the occurrence of an Event of Default, the Note Trustee must take Enforcement Action, or commence proceedings against Silver Chef, where all the following conditions are satisfied:

- the Note Trustee has convened a meeting of Noteholders;
- a resolution of Noteholders is passed directing the Note Trustee to take the Enforcement Action, commence proceedings or to join in proceedings, as the case may be; and
- the Note Trustee is not of the view that the enforcement is inconsistent with the Note Trust Deed, the Corporations Act or is otherwise objectionable.

However, the Note Trustee:

- may not institute any proceedings against Silver Chef during any period during which Silver Chef fails or refuses to redeem the Contingent Value Notes in order to comply with any law or any order of any court of competent jurisdiction; and
- is not required to take any Enforcement Action if it does not have a satisfactory indemnity or protection from the Noteholders against:
 - all actions, proceedings, claims and demands to which the Note Trustee may become liable by taking the Enforcement Action; and
 - all costs, charges, damages and expenses which the Note Trustee may incur in carrying out the Enforcement Action.

(g) Retirement and appointment of Note Trustee

Subject to any statutory provisions for the time being relating to the retirement of trustees, the Note Trustee may retire at any time (with or without giving any reason for its retirement) after the expiration of not less than two months' notice in writing to Silver Chef of its intention to do so, provided that such retirement will not take effect until a new trustee which fulfils the requirements set out in the Note Trust Deed has been appointed by Silver Chef.

Subject to the other provisions of the Note Trust Deed, the power to appoint a new trustee of the Note Trust is vested in Silver Chef and Silver Chef may at any time remove the Note Trustee and appoint a new trustee of the Note Trust (which must fulfil the requirements set out in the Note Trust Deed):

- on not less than two months' notice; or
- immediately if:
 - any of the events referred to in section 283BD of the Corporations Act occur in relation to the Note Trustee;

- an insolvency event occurs in relation to the Note Trustee;
- a resolution to remove the Note Trustee is passed at a meeting of the Noteholders; or
- the Note Trustee is in breach of any of its obligations under the Note Trust Deed or any other transaction document under the Note Trust Deed, and the breach has not been remedied by the Note Trustee within 14 Business Days of receipt of notice in writing from Silver Chef specifying the breach.

(h) Remuneration of Note Trustee

Silver Chef must pay the Note Trustee by way of remuneration for its services as Note Trustee, a fee or remuneration as is mutually agreed with the Note Trustee.

On demand, Silver Chef will reimburse or pay to the Note Trustee all costs, charges and expenses and other liabilities and costs reasonably and properly incurred or payable by the Note Trustee in connection with its role under the Note Trust Deed, including:

- in or about or in connection with the preparation and execution of the Note Trust Deed and the other transaction documents arising out of it;
- in or in connection with the carrying out by the Note Trustee of any right, power, privilege, authority or discretion under the Note Trust Deed and the other transaction documents arising out of it, conferred on the Note Trustee or on any Noteholder;
- in connection with any breach or default in the observance or performance by Silver Chef of any of its obligations and the conditions of the Note Trust Deed and the other transaction documents arising out of it; or
- in or in connection with the convening and holding of any meeting of Noteholders or the carrying out of any directions or resolutions of such meeting, provided that such costs, charges and expenses are reasonable and properly incurred.

If the Note Trustee proposes to exercise a right, power or remedy or take any action in its capacity as Note Trustee, including pursuant to a resolution of Noteholders directing the Note Trustee, and the Note Trustee reasonably considers this could result in Silver Chef becoming obliged to pay the Note Trustee, then the Note Trustee may require Silver Chef to pay the Note Trustee before exercising that right or taking that action, an amount equal to the amount the Note Trustee reasonably determines is payable and the Note Trustee is not obliged to so act until that amount is paid.

(i) Undertakings of Silver Chef as the note issuer

Silver Chef undertakes in favour of the Note Trustee and each Noteholder that it will:

- not issue any additional or new Contingent Value Notes without the consent of the Noteholders by special resolution at a meeting of Noteholders;
- carry on and conduct its business (if any) in a proper and efficient manner;
- keep or cause to be kept proper books of account and enter into those books full particulars of all dealings and transactions in relation to its business;
- make available for inspection by:
 - the Note Trustee;
 - an officer or employee of the Note Trustee authorised by the Note Trustee to carry out the inspection; or
 - a registered company auditor appointed by the Note Trustee to carry out the inspection,

the whole of its financial and other records and will give to them any information, explanation or other assistance as they require with respect to any matters relating to those records;

- notify the Note Trustee:
 - if it creates a security interest, within 21 days after the charge is created, and if the total amount to be advanced on the security of the security interest is indeterminate and the advances are not merged in a current account with bankers, trade creditors or anyone else, the notice must contain written details of the amount of each advance within seven days after it is made;
 - as soon as reasonably practical after it becomes aware that the Scheme Implementation Agreement has been terminated or will be terminated;
 - as soon as it becomes aware of any Event of Default;
 - as soon as it becomes aware that any provision of the Note Trust Deed or a Contingent Value Note is not being, or cannot be, complied with by Silver Chef, together with details of that breach; and
 - as soon as reasonably practicable if Silver Chef intends to redeem or acquire any Contingent Value Note;
- promptly give the Note Trustee copies of all documents and notices received by it from any Noteholder or which it gives to a Noteholder;
- without charge, provide a copy of the Note Trust Deed to the Note Trustee, a Noteholder or an Ineligible Foreign Shareholder if they request a copy;
- do all things and execute all deeds, instruments and other documents as may be necessary or desirable to give full effect to the Note Trust Deed in favour of the Note Trustee and the Noteholders; and

Contingent Value Notes

- otherwise comply with all statutory and regulatory requirements applicable to it (including under Chapter 2L of the Corporations Act) to the extent they relate to its obligations under the Note Trust Deed.

Silver Chef must provide the Note Trustee with copies of its full year and half year financial reports lodged with ASIC and also provide the annual report, without charge, to Noteholders and Ineligible Foreign Shareholders if requested by them.

Silver Chef will provide to the Note Trustee within one month after the end of each calendar quarter the report required by section 283BF(4) of the Corporations Act.

Silver Chef will also make available for inspection by the Note Trustee, or any other officer or employee of the Note Trustee, the whole of the financial or other records of Silver Chef and will give to the Note Trustee such information, explanation of, or other assistance it requires with respect to any matters relating to those records.

4.7 Benchmarking in relation to Contingent Value Notes

If the Scheme becomes Effective, Silver Chef will be an issuer of unlisted, unsecured notes (the **Contingent Value Notes**).

ASIC Regulatory Guide 69 requires issuers of unlisted, unsecured notes, such as Silver Chef, to make particular disclosures against specified benchmarks.

This Section 4.7 discloses whether Silver Chef will satisfy the applicable benchmarks if the Scheme becomes Effective, and if not then why not.

(a) Benchmark 1 – Equity ratio

ASIC's benchmark: An issuer should maintain an equity ratio of 8%, where only a minor part of its activity is property development or lending funds directly or indirectly for property development.

Silver Chef satisfied this benchmark.

As at 31 December 2018 Silver Chef's equity ratio was approximately 19%, compared with approximately 26% as at 31 December 2017.

(b) Benchmark 2 – Liquidity

ASIC's benchmark: An issuer should have cash flow estimates for the next three months and ensure that at all times it has cash or cash equivalents sufficient to meet its projected cash needs over the next three months.

Silver Chef satisfies this benchmark.

Silver Chef maintains cash flow estimates on a rolling three month basis and ensures that at all times it has cash on hand or cash equivalents at least equal to its estimated cash requirements for the next three months.

(c) Benchmark 3 – Rollovers

ASIC's benchmark: An issuer should disclose its approach to rollovers, including what process is followed at the end of the investment term and how it informs those rolling over or making further investments of any current prospectus and continuous disclosure announcements.

Silver Chef satisfies this benchmark.

Silver Chef must pay the Redemption Amount (if any) for the Contingent Value Notes in accordance with the terms of the Note Trust Deed, following the verification by the Independent Assessor of the Redemption Amount.

No rollover is contemplated for the Contingent Value Notes.

(d) Benchmark 4 – Debt maturity

ASIC's benchmark: An issuer should disclose an analysis of the maturity profile of interest-bearing liabilities (including notes on issue) by term and value; and the interest rates, or average interest rates, applicable to its debts.

Silver Chef satisfied this benchmark.

No interest is payable on the Contingent Value Notes.

A summary of the debt maturity profile of Silver Chef Group as at 30 June 2019 is set out in the table below:

Term of debt*	Value
At call	–
Up to 1 year	\$15,577,019
2 to 3 years	\$279,541,554
3 to 5 years	–
More than 5 years	–
Total	\$295,642,290
Average interest rate	4.81% per annum

* Silver Chef is currently operating under waivers from its financiers as detailed in Section 9.1.

The table above does not include contingent liabilities.

(e) Benchmark 5 – Loan Portfolio

ASIC's benchmark: An issuer who on-lends funds, or indirectly on-lends funds through a related party, should disclose the current nature of its (or the related party's) loan portfolio.

Silver Chef will not be raising funds through the issue of Contingent Value Notes.

This benchmark does not apply to Silver Chef as it will not (either directly or indirectly, or through a related party) on-lend funds raised through the issue of Contingent Value Notes.

(f) Benchmark 6 – Related party transactions

ASIC's benchmark: An issuer who on-lends funds, should disclose its approach to related party transactions.

This benchmark does not apply to Silver Chef as it will not on-lend funds raised through the issue of Contingent Value Notes to a related party.

(g) Benchmark 7 – Valuations

ASIC benchmark: Where an issuer is involved in or (directly or indirectly) lends money for property-related activities, it should take certain approaches to valuations.

This benchmark does not apply to Silver Chef as it is not directly or indirectly involved in or on-lending funds for property-related activities.

(h) Benchmark 8 – Lending principles – Loan-to-valuation ratios

ASIC's benchmark: Where an issuer (directly or indirectly) on-lends money in relation to property-related activities, it should maintain certain loan-to-valuation ratios.

This benchmark does not apply to Silver Chef as it is not directly or indirectly involved in or on-lending funds for property-related activities.

4.8 Key disclosures in relation to the GoGetta Business

On 26 February 2018, Silver Chef announced its decision to exit the GoGetta Business and immediately commenced an orderly run off process of the GoGetta book.

A description of the GoGetta Business is set out in Section 5.2.

The value ultimately paid to Noteholders will be dependent on the value recouped by Silver Chef in running down the GoGetta Business between the date of the Scheme Implementation Agreement and 30 June 2021 (plus \$6,350,000 in cash reserves generated by the GoGetta Business as at the date of the Scheme Implementation Agreement and retained by Silver Chef for working capital) and the aggregate of all deductions from the cash proceeds including operating costs, amounts outstanding under the Facility B, GoGetta debts, apportioned taxes, third party fees and other costs and expenses (as calculated under the Note Trust Deed). It is not possible for the Independent Directors to calculate the Redemption Amount at this time.

At section 6.4 of the Independent Expert's Report, the Independent Expert has estimated the GoGetta run-off book at \$22 million. Based on this valuation and the factors noted in section 6.9 of the Independent Expert's Report, the Independent Expert has assessed a value of \$0.03 to \$0.06 per Contingent Value Note.

4.9 Key risks in relation to the Contingent Value Notes

If the Scheme becomes effective, there are certain disadvantages and risks associated with ownership of an investment in the Contingent Value Notes, many of which are outside the control of Silver Chef. A significant number of the general and specific risk factors, specific to Silver Chef and/or the industries in which it operates, and described in Section 7 will also continue to apply to Silver Chef Shareholders even if the Scheme becomes Effective as a result of exposure under the Contingent Value Notes.

You should carefully consider the risks described in Sections 4.9 and 7 and the other information in this Scheme Booklet before voting on the Scheme.

The following risks do not take into account your individual investment objectives, financial situation, position or particular needs. You should seek professional guidance from your stockbroker, accountant or other independent and qualified professional adviser before voting on the Scheme.

Contingent Value Notes

(a) There is no guarantee that any Redemption Amount will be payable

The Contingent Value Notes will only be redeemable if the Redemption Amount is greater than \$0. Whether the Redemption Amount is greater than \$0 is dependent on the value recouped by Silver Chef in running down the GoGetta Business between the date of the Scheme Implementation Agreement and 30 June 2021 and the aggregate of all deductions from the cash proceeds including operating costs, amounts outstanding under the Facility B, GoGetta debts, apportioned taxes, third party fees and other costs and expenses (as calculated under the Note Trust Deed).

There are a variety of factors, a number of which are speculative, which will impact on the gross cash proceeds generated from running down the GoGetta Business, including increased costs, increased rate of customer defaults, changes in accounting standards or government policies or other circumstances or occurrences.

Accordingly, there can be no assurance that any Redemption Amount will be paid under the Contingent Value Notes.

(b) No obligation to maximise run off value

As the Independent Directors will resign on implementation of the Scheme and the Bidder will have effective control of Silver Chef, the Independent Directors will have no control over the run off of the GoGetta Business after the Implementation Date.

In accordance with the Note Trust Deed, any decision by Silver Chef to dispose of the GoGetta Business assets must be made in good faith based on bona fide commercial considerations and not with the intention to circumvent the obligation to pay the Redemption Amount.

Notwithstanding this obligation, following implementation of the Scheme, the Bidder may in its sole discretion take actions with respect to the GoGetta Business which may impact the payment of a Redemption Amount. The Bidder does not have any obligation to maximise the value that may be achieved for the run off of the GoGetta Business.

Accordingly, the Independent Directors can give no assurance as to the ultimate value of the Contingent Value Notes.

(c) Counterparty risk and ability of Silver Chef to pay the Redemption Amount

There are usual contractual and counterparty risks associated with ownership of the Contingent Value Notes. Silver Chef or the Note Trustee may breach its or their obligations under the Note Trust Deed.

The Redemption Amount (if any) payable under the Contingent Value Notes will not be determined until after 30 June 2021. There is no guarantee as to Silver Chef's financial position or ability to pay the Redemption Amount at the time any Redemption Amount becomes payable.

Additionally, past performance and the current financial position of Silver Chef are not a reliable indicator of future performance.

(d) Exposure to future upside limited to GoGetta Business run off

The Contingent Value Notes allow Scheme Shareholders (other than Electing Founder Shareholders) to only participate in upside in the run off of the GoGetta Business if the GoGetta Run Off Amount exceeds \$10 million.

If the Scheme becomes Effective, Silver Chef Shareholders will not receive any future increases in value of the Silver Chef portfolio of assets outside of the GoGetta Business, or market movements through its shareholding in Silver Chef as a company listed on the ASX.

(e) No liquidity

The Contingent Value Notes are unlisted, unsecured notes, the value of which (if any) will only be realised after 30 June 2021. The Custodian may transfer all but not some of the Custodian CVNs to a person nominated by Silver Chef if the Custody Agreement is terminated. Otherwise, the Contingent Value Notes are non-transferrable, other than as a result of operation of law or devolution.

Silver Chef Shareholders will not be able to sell the Contingent Value Notes and therefore will not be able to realise any value in the Contingent Value Notes other than the payment of any Redemption Amount, if applicable.

(f) Tax

The possible tax implications arising in connection with the Scheme are discussed in Section 9.2.

Profile of Silver Chef

5.1 Introduction

Established in 1986, Silver Chef is a hospitality equipment funding business based in Australia. Through a combination of organic and targeted growth, Silver Chef has expanded its operations into New Zealand and Canada, employing approximately 300 staff across all jurisdictions.

Silver Chef provides funding to small and medium sized businesses in the hospitality sector through its tried and tested equipment funding solution, Rent-Try-Buy.

Silver Chef reported net loss after tax of \$48.8 million for the financial year ended 30 June 2018 following write downs of expected returns from the GoGetta Business, provisioning relating to estimated costs of a customer remediation program currently being discussed and explored with ASIC relating to the ASIC Investigation, a write off of borrowing costs relating to prior period financing bank facility and a reset of Hospitality provisions for arrears and the rental asset book.

Silver Chef reported a net loss after tax of \$11.7 million for the half year ended 31 December 2018.

The HY19 loss included material one-off expenses relating to the Capital Management Plan and additional provisions recorded against aged and unrecoverable rental assets under receivables under its revised provisioning policy and adoption of AASB9 Financial Instruments

Corporate history

In 1986, Allan English established a company providing pizza ovens to the growing home delivery pizza industry in Australia. In order to achieve greater market awareness and diversity, a rental division was established.

Since inception, Silver Chef has achieved the following key milestones:

- in 2005, Silver Chef listed on the ASX under the trading code SIV;
- in 2008, Silver Chef sought to diversify its product offerings and launched the GoGetta division;
- Silver Chef has continued to grow its portfolio of assets and successfully expanded its operations into New Zealand (2011) and Canada (2013);
- in June 2015, Silver Chef became a Certified B Corporation. As a B-Corp certified corporation, Silver Chef voluntarily holds itself to a high level of accountability in the areas of corporate governance, transparency, and environmental and social impact; and
- on 26 February 2018, Silver Chef announced its decision to exit the GoGetta Business and has since been working through a structured runoff of the asset book. Silver Chef Group breached the debt covenants under its Syndicated Debt Facility and Securitisation Warehouse Facility at 30 June 2018. Waivers were obtained in respect of both facilities, conditional on a successful raising of a minimum capital requirement of \$45 million and, as at the date of this Scheme Booklet, Silver Chef has not raised the necessary funds.

5.2 Operations overview

The principal activity of Silver Chef is the financing of commercial equipment in Australia, New Zealand and Canada to small and medium sized businesses in the hospitality industry through its Rent-Try-Buy solution.

Business divisions

Silver Chef historically has had two core operating divisions, Hospitality and GoGetta, however Silver Chef has announced its decision to exit the GoGetta Business and commenced an orderly run off process.

A description and summary of key features of the Hospitality and GoGetta divisions are set out below.

	Hospitality	GoGetta
Description	Hospitality provides flexible equipment funding solutions to small and medium sized businesses in the hospitality industry. Customers of the hospitality business include coffee shops, takeaway stores and independently owned restaurants. Hospitality operates in Australia, New Zealand and Canada.	GoGetta provides commercial equipment rental and financing solutions to small and medium sized businesses in industries other than the hospitality industry. The main channels which the GoGetta Business operates in are transport, fitness, and light construction. GoGetta operates in Australia.
Key Features	• Funding for business-critical assets e.g. coffee machine for cafe. • Payment weekly in advance via direct debit. • Assets returned typically easily remarketed. • Silver Chef has a well-developed, sophisticated and unique remarketing capability. • Deep dealer relationships developed over 15-20 years.	On 26 February 2018, Silver Chef announced its decision to exit its GoGetta Business due to its lower returns and higher rates of contract delinquency. Silver Chef has since commenced an orderly run off process of the GoGetta book to reset the Silver Chef cost base. The paring back of services has left a book of customers with quality assets, which is expected to continue to deliver cash flows for the coming 12 – 24 months.

Revenue

Silver Chef primarily earns revenue by charging a rental fee and ongoing interest for the use of equipment. These fees and charges compensate Silver Chef for borrowing costs incurred to acquire additional assets.

Operations

The key components of the Silver Chef business model are:

- **Business Critical Assets:** Silver Chef funds business critical assets which either generate revenue or reduce expenses e.g. coffee machine for a café.
- **Flexible, Unique Product:** Silver Chef's Rent-Try-Buy offers a unique rental product which preserves a customer's cash and gives them the flexibility to:
 - purchase the equipment with a 75% rental rebate;
 - upgrade equipment to suit business needs;
 - sign onto a long term lease option with ownership at the end of a 3 year term;
 - return the equipment; or
 - continue renting for as long as they choose.
- **Assets Easily Remarketed:** Silver Chef has a sophisticated refurbishing capability, which enables it to re-rent equipment either at the end of the rental term or after repossession. This capability is paired with Silver Chef's well-developed remarketing system for second hand hospitality assets.
- **Risk Management:** Silver Chef has implemented credit and asset management processes to manage risks associated with customer defaults.
- **Long Term Partner Relationships:** Silver Chef has deep equipment dealer relationships, many of which have been established over 15 to 20 years.

5.3 Silver Chef Board

Name	Position
Allan English	Non-Executive Chairman
Andrew Kemp	Non-Executive Director
Bede King	Non-Executive Director
Sophie Mitchell	Non-Executive Director
Patrick Tapper	Non-Executive Director

Note: The Independent Directors comprise Andrew Kemp, Bede King, Sophie Mitchell and Patrick Tapper. Mr Allan English is not included as an Independent Director as Mr English is associated to the Founder Shareholders who may elect to retain their Silver Chef Shares.

5.4 Senior management team

Name	Position
Damien Guivarra	Chief Executive Officer
Graeme Fallet	Chief Financial Officer

5.5 Capital structure

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

Type of security	Number of securities
Silver Chef Shares	39,267,916

5.6 Interests of Directors in Silver Chef securities

(a) Relevant Interests of Directors in Silver Chef Shares

As at the date immediately prior to the date of this Scheme Booklet, the Directors had the following Relevant Interests in Silver Chef Shares:

Director	Number of Silver Chef Shares	Percentage of issued Silver Chef Shares	Nature of interest
Allan English	8,876,607	22.60%	Mr English holds an indirect interest in: 326,651 Silver Chef Shares held by Mr Allan John English and Mrs Tessa Winifred English as trustees for the Tessana Superannuation Fund; 3,999,956 Silver Chef Shares held by Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust; and 4,550,000 Silver Chef Shares held by English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation.
	140,593	0.36%	Silver Chef Shares held by Mrs Maureen English (Mr Allan English's mother). Mr Allan English holds a power of attorney for Mrs Maureen English and therefore controls the shares.
Andrew Kemp	1,077,509	2.74%	Mr Kemp holds 108,485 Silver Chef Shares jointly with Ann Kemp.
			Mr Kemp has an indirect interest in: 171,130 Silver Chef Shares held by Huntington Group Pty Limited; 431,267 Silver Chef Shares held by Huntington Super Pty Ltd ATF Huntington Sp Super PLN; 124,400 Silver Chef Shares held by Huntington Group Pty Limited ATF Huntington GP Pty Ltd Super; 15,068 Silver Chef Shares held by Manco (Aust) Pty Ltd; and 227,159 Silver Chef Shares held by Huntington Investment Services Pty Ltd ATF Huntington Investment Trust.
Bede King	131,302	0.33%	Mr King has an indirect interest in 131,302 Silver Chef Shares held by BF King and HJ King as trustees for The King Superannuation Plan.
Sophie Mitchell	70,500	0.18%	Ms Mitchell has an indirect interest in: 62,000 Silver Chef Shares held by Mitchell Dangar Pty Ltd; and 8,500 Silver Chef Shares held by JW Mitchell and SA Dangar ATF Dangar Mitchell Super Fund.
Patrick Tapper	22,032	0.06%	Mr Tapper has an indirect interest in 22,032 Silver Chef Shares held by Tapper Super Fund Pty Ltd ATF Tapper SMSF

Directors who hold Silver Chef Shares will be entitled to vote at the General Meeting and the Silver Chef Scheme Meeting and receive the Scheme Consideration along with the other Scheme Shareholders. This does not include Allan English if the Founder Shareholders associated with him elect to retain their Shareholding by giving an Election Form. If this occurs, the Electing Founder Shareholders, who are associated with Allan English, will be entitled to vote at the General Meeting and Founder Shareholder Scheme Meeting.

Each Independent Director intends to vote all Silver Chef Shares held or controlled by them in favour of the Scheme Resolution and Financial Assistance Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders.

(b) Dealings of Directors in Silver Chef Shares

No Director acquired or disposed of a Relevant Interest in any Silver Chef Share in the four month period ending on the date immediately prior to the date of this Scheme Booklet.

5.7 Interests of Directors in securities of the Bidder

(a) Relevant Interests in the Bidder

As at the date immediately prior to the date of this Scheme Booklet, neither Silver Chef nor any Director had a Relevant Interest in any securities in the Bidder.

(b) Dealings of Directors in securities of the Bidder

No Director acquired or disposed of a Relevant Interest in any securities in the Bidder in the four month period ending on the date immediately prior to the date of this Scheme Booklet.

5.8 Benefits and agreements

(a) Benefits in connection with retirement from office

No payment or other benefit is proposed to:

- be made or given to any director, company secretary or executive officer of Silver Chef as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in Silver Chef or in a Subsidiary of Silver Chef; or
- be made or given to any director, company secretary or executive officer of any Subsidiary of Silver Chef as compensation for the loss of, or as consideration for or in connection with his or her retirement from, office in that Subsidiary of Silver Chef or in Silver Chef,

in connection with the Scheme, other than in his or her capacity as a Silver Chef Shareholder.

Silver Chef will pay a retention bonus of up to \$230,000 in aggregate on implementation of the Scheme to members of the senior executive team and other employees. No retention bonus will be paid to any Director.

(b) Agreements connected with or conditional on the Scheme

There are no agreements or arrangements made between any Director and any other person in connection with, or conditional on, the outcome of the Scheme, other than in their capacity as a Silver Chef Shareholder.

None of the Independent Directors have any interest in any contract entered into by the Bidder, or any member of the Bidder Group, other than in their capacity as a Silver Chef Shareholder.

(c) Benefits from the Bidder

None of the Directors have agreed to receive, or is entitled to receive, any benefit from the Bidder or any member of the Bidder Group, which is conditional on, or is related to, the Scheme, other than in their capacity as a Silver Chef Shareholder.

5.9 Recent share price history

A summary of the trading prices of Silver Chef Shares on ASX for various periods leading up to, and following, announcement of the Scheme on ASX is set out below.

Market close on 28 June 2019 (last trading day immediately prior to announcement of Scheme Implementation Agreement)	\$0.31
Volume weighted average price for the 1 month period up to 28 June 2019	\$0.4230
Volume weighted average price for the 3 month period up to 28 June 2019	\$0.6634
Volume weighted average price for the 6 month period up to 28 June 2019	\$1.0295
Market close on 26 July 2019 (Last Practicable Date)	\$0.71
Highest trading price in the 3 month period to 26 July 2019	\$0.91
Lowest trading price in the 3 month period to 26 July 2019	\$0.24

5.10 Historical financial information

This Section 5.10 sets out summary financial information in relation to Silver Chef for the purpose of this Scheme Booklet. The financial information has been extracted from Silver Chef's interim financial report for the half year to 31 December 2018 and 2018 Annual Report.

The historical financial information of Silver Chef in this Section 5.10 is presented in an abbreviated form and does not contain all the disclosures, presentations, statements or comparatives that are usually provided in an annual report prepared in accordance with the Corporations Act. Silver Chef considers that for the purposes of this Scheme Booklet, the historical financial information presented in an abbreviated form is more meaningful to Silver Chef Shareholders. The historical financial information of Silver Chef has been prepared in accordance with the recognition and measurement principles contained in the Australian Accounting Standards.

Silver Chef's recent statutory historical consolidated income statements, historical consolidated statements of financial position and historical consolidated cash flow statements are disclosed in its interim financial report for the half year to 31 December 2018 and 2018 Annual Report available at the ASX website or at www.silverchefgroup.com.au.

Table 1 – Consolidated statement of profit or loss and other comprehensive income

	HY Dec-18 \$000's	FY Jun-18 \$000's	FY Jun-17 \$000's
Revenue	121,613	287,138	286,025
Depreciation and amortisation expense	(58,501)	(137,999)	(134,223)
Loss on sale of plant and equipment	(10,667)	(17,999)	(9,181)
Impairment of rental assets	(14,028)	(39,369)	(16,290)
Bad debts expense	(7,866)	(52,969)	(12,623)
Employee expenses	(18,370)	(42,167)	(38,063)
Expenses from ordinary activities	(20,073)	(43,937)	(34,049)
Finance costs	(9,258)	(21,084)	(13,254)
Profit/(loss) before income tax	(17,150)	(68,386)	28,342
Income tax (expense)/benefit	5,457	19,572	(8,097)
Profit/(loss) attributable to members of the Silver Chef Group	(11,693)	(48,814)	20,245
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedge, net of tax	82	243	525
Foreign currency translation differences – foreign operations	648	(394)	(278)
Other comprehensive income, net of tax	730	(151)	(247)
Total comprehensive income attributable to members of Silver Chef Group	(10,963)	(48,965)	20,492
Earnings per share			
Basic earnings per share (cents)	(29.78)	(124.5)	55.3
Diluted earnings per share (cents)	(29.78)	(124.5)	55.3

Table 2 – Consolidated statement of financial position

	HY Dec-18 \$000's	FY Jun-18 \$000's	FY Jun-17 \$000's
ASSETS			
Current assets			
Cash and cash equivalents	46,580	29,265	7,307
Trade and other receivables	31,407	49,140	74,915
Inventories	371	3,320	–
Current tax assets	5,139	4,344	–
Other assets	2,653	2,192	2,929
Total current assets	86,150	88,261	85,151
Non-current assets			
Trade and other receivables	69,628	72,953	60,906
Rental assets	251,821	296,395	374,544
Property, plant and equipment	1,059	2,477	2,982
Intangibles	4,053	4,054	3,834
Deferred tax assets	42,099	33,435	12,831
Total non-current assets	368,660	409,314	455,097
Total assets	454,810	497,575	540,248
LIABILITIES			
Current liabilities			
Trade and other payables	14,669	16,245	13,193
Provisions	6,207	3,800	–
Current tax payable	–	640	7,654
Customer security bonds payable	19,565	21,691	29,666
Loans and borrowings	320,820	342,711	–
Employee benefits	2,605	2,313	2,203
Total current liabilities	363,866	387,400	52,716
Non-current liabilities			
Trade and other payables	–	–	32
Customer security bonds payable	3,919	5,145	5,730
Loans and borrowings	–	–	315,046
Employee benefits	341	382	397
Other liabilities	506	548	601
Derivatives	191	308	654
Total non-current liabilities	4,957	6,383	322,460
Total liabilities	368,823	393,783	375,176
Net assets	85,987	103,792	165,072
EQUITY			
Share capital	120,742	120,742	119,330
Retained earnings/(Accumulated losses)	(35,108)	(16,573)	45,968
Reserves	353	(377)	(226)
Total equity	85,987	103,792	165,072

Table 3 – Consolidated statement of cash flows

	HY Dec-18 \$000's	FY Jun-18 \$000's	FY Jun-17 \$000's
Cash flows from operating activities			
Receipts from customers	167,210	348,920	312,892
Payments to suppliers and employees	(76,073)	(157,897)	(141,635)
Finance costs paid	(8,552)	(13,614)	(12,643)
Interest received	55	59	49
GST (paid)/recovered	(585)	957	1,062
Income taxes paid	(1,777)	(12,495)	(6,855)
Net cash flows from operating activities	80,278	165,930	152,870
Cash flows from investing activities			
Payments for other investing activities	(168)	(204)	-
Payments for plant and equipment	(91,697)	(245,839)	(305,899)
Payments for intangible assets	(670)	(2,219)	(3,573)
Proceeds from sale of plant and equipment	52,004	93,939	78,732
Net cash flows used in investing activities	(40,531)	(154,323)	(230,740)
Cash flows from (used in) financing activities			
Proceeds from borrowings	19,279	126,121	83,474
Repayment of borrowings	(41,711)	(97,239)	(18,000)
Repayment of finance leases	-	-	(468)
Transaction costs paid in relation to issue of shares	-	(13)	(1,261)
Transaction costs paid in relation to loans and borrowings	-	(6,217)	(624)
Proceeds from issue of shares	-	-	28,508
Dividends paid (net of DRP)	-	(12,301)	(12,128)
Net cash flows from (used in) financing activities	(22,432)	10,351	79,501
Net increase in cash held	17,315	21,958	1,631
Cash and cash equivalents at 1 July	29,265	7,307	5,676
Cash and cash equivalents*	46,580	29,265	7,307

* The half year cash balance includes restricted cash of \$23.5 million at 31 December 2018 representing securitised cash flows held by the SIV Equipment Trust No.1 (Trust). Until certain reporting and other requirements for the Trust are resolved, distributions have not occurred out of the Trust to Silver Chef since November 2018 and asset sell-ins have been restricted. Refer to Silver Chef's Consolidated Interim Financial Statements for the half year ended 31 December 2018 as disclosed to ASX for further details.

5.11 Publicly available information about Silver Chef

Silver Chef is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Silver Chef is subject to the Listing Rules which require (subject to some exceptions) continuous disclosure of any information Silver Chef has that a reasonable person would expect to have a material effect on the price or value of Silver Chef Shares.

Information disclosed to ASX by Silver Chef is available at www.asx.com.au.

ASIC also maintains a record of documents lodged with it by Silver Chef and these documents may be obtained from or inspected at any office of ASIC.

Silver Chef Shareholders may obtain a copy of:

- its Annual Financial Report for the financial period ended 30 June 2018 (being the full financial report most recently lodged with ASIC before registration of this Scheme Booklet) and Interim Financial Report for the half year ended 31 December 2018; and
- any announcement given to ASX by Silver Chef after the lodgement by Silver Chef of the Interim Financial Report for the half year ended 31 December 2018 and before the date of this Scheme Booklet,

from the ASX website (www.asx.com.au) or free of charge by calling the Silver Chef Shareholder Information Line on 1300 648 874 (within Australia) or +61 2 8355 1000 (outside Australia) Monday to Friday between 8.30am and 5.00pm, or by visiting www.silverchefgroup.com.au.

A list of announcements made by Silver Chef from 6 March 2019 (being the date on which Silver Chef lodged its Interim Financial Report for the half year ended 31 December 2018 with ASX) to the Last Practicable Date is contained below. Silver Chef Shareholders may obtain further announcements concerning Silver Chef from ASX's website (www.asx.com.au).

A substantial amount of information on Silver Chef is also available in electronic form at www.silverchefgroup.com.au.

Date	Announcement
6 March 2019	SIV – Company Secretary Appointment/Resignation
8 March 2019	S&P DJI Announces March 2019 Quarterly Balance
11 April 2019	SIV – Capital Management Plan Update
30 April 2019	SIV – Extension of Next Exclusivity Period and Bank Waiver
23 May 2019	SIV – Extension of Next Exclusivity Period
3 June 2019	SIV – Extension of Financial Waiver Period
17 June 2019	SIV - Extension of Exclusivity Period
20 June 2019	SIV Extension of Next Exclusivity Period and Trading Update
1 July 2019	Trading Halt
3 July 2019	Silver Chef Limited enters into Scheme Implementation Agreement
11 July 2019	Becoming a substantial holder
11 July 2019	Change of Director's Interest Notice
11 July 2019	Change of Director's Interest Notice
12 July 2019	Change in substantial holding
17 July 2019	Change in substantial holding
18 July 2019	Change in substantial holding
22 July 2019	Change in substantial holding

6

Profile of the Bidder

6.1 Introduction

This Section 6 forms part of the Bidder Group Information and has been prepared by the Bidder. The Bidder is solely responsible for the Bidder Group Information, except to the extent that Silver Chef has provided the Bidder with information for the purposes of the Bidder preparing the Bidder Group Information. None of Silver Chef nor any of its Subsidiaries, shareholders, affiliates, directors, officers or advisers assume any responsibility for the accuracy or completeness of the Bidder Group Information.

This Section 6 includes information on the Bidder's funding arrangements that have been made to provide the Cash Scheme Consideration and information as to the Bidder's intentions, views, and opinions in relation to Silver Chef. These intentions, views and opinions have been formed on the basis of facts and information concerning Silver Chef which are known to the Bidder, the general business environment and the circumstances affecting the business of Silver Chef, in each case, as at the date of this Scheme Booklet.

6.2 Overview of the Bidder

(a) Bidder

The Bidder is a consortium of investors coming together under the leadership of Next Capital. The consortium is comprised of investment vehicles affiliated with Next Capital (the **Next Capital Funds**) and a number of co-investors that are investing through co-investment vehicles (**Next Capital Co-investment Trusts**).

The Next Capital Funds form part of Next Capital Fund IV which is managed by Next Capital IV Management Pty Limited. The major activities of the Next Capital Funds are to invest in mid-market private equity transactions sourced across Australia and New Zealand.

The Next Capital Co-investment Trusts are special purpose vehicles established for the purpose of holding shares in Silver Chef on behalf of the co-investors. Each of the Next Capital Co-investment Trusts are managed by Next Capital IV Management Pty Limited.

There are no agreements, understandings or arrangements in place between any Bidder Group Member and any Founder Shareholder as to the manner in which the Founder Shareholders will vote on the Scheme Resolution or Financial Assistance Resolution (or which would otherwise give any Bidder Group Member control or influence over the right to dispose of, or exercise votes attaching to, Silver Chef Shares held by the Founder Shareholders).

Bidder entities

The individual investors that comprise the Bidder and will be directly participating in the Scheme in their Respective Proportions are as follows:

- Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA (**Next Capital Trust IVA**);
- Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC (**Next Capital Trust IVC**); and
- Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2 (**Next Capital Trust IVD2**);

(together, the **Next Capital Funds**); and

- Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-investment Trust (**Next Capital Co-investment Trust A**); and
- Next Capital (Services B) Pty Limited (ACN 117 027 853) as trustee for Apollo Co-investment Trust B (**Next Capital Co-investment Trust B**),

(together the **Next Capital Co-Investment Trusts**).

Directors of Bidder entities

The directors of the Bidder entities are as follows:

- Next Capital Trust IVA: John William White;
- Next Capital Trust IVC: James Joseph Murphy;
- Next Capital Trust IVD2: Andrew Alexander Lockhart;
- Next Capital Co-investment Trust A: John William White and Andrew Alexander Lockhart; and
- Next Capital Co-investment Trust B: Patrick Francis Elliott and James Joseph Murphy

The biographies of the relevant directors are set out below.

John White

John is a founding partner of private equity firm Next Capital where he is a director of a number of portfolio companies.

Prior to founding Next Capital, John was Director of Macquarie Bank having joined in the private equity division in 2002. Prior to that, he held a number of senior roles at Deutsche Bank (including Head of the Australasian Telecommunications and Media Advisory Group) as well as Ferrier Hodgson in both Australia and New York. John was previously the director of Forest Coach Lines, Vitaco and Hirepool. He also served as Chairman of the Australian Venture Capital Association Limited (AVCAL) for a number of years. John holds degrees in Commerce and Law from the University of New South Wales.

James Murphy

James is a partner of private equity firm Next Capital where he is a director of a number of portfolio companies.

James has been with Next Capital since 2007 and joined the partnership in 2014. Prior to joining Next Capital, James was formerly with UBS investment bank's mergers and acquisition team. At UBS, James executed a number of private equity related transactions. Prior to that, he was a member of Grant Samuel's corporate advisory team and a strategy consultant at Accenture. James was previously a director in Scottish Pacific, Infinite Care and Forest Coach Lines. James holds a Bachelor of Commerce from University of New South Wales.

Andrew (Sandy) Lockhart

Sandy is a founding partner of private equity firm Next Capital where he is a director of a number of portfolio companies.

Prior to founding Next Capital, Sandy was responsible for running Macquarie Bank's private equity business between 1987 and 2004 which encompassed investments made through both Bond Street Investments and three Macquarie Investment Trusts. Prior to Macquarie Bank, he was Head of Bank of Boston's Australian and New Zealand operations. Sandy was also Chairman of Vitaco before its listing in 2015 and was a director of several companies including Onsite, Onslow and Hirepool. He also served as Chairman of the Australian Venture Capital Association Limited (AVCAL) in 1995. Sandy holds a Bachelor of Arts (Hons) from Harvard and has completed the Program for Leadership Development with Harvard University, ASIA.

Patrick Elliott

Please refer to Section 6.5(a) for Patrick's biography.

(b) Next Capital

Corporate information

Next Capital is a leading independent Australian private equity firm, specialising in providing buy-out funding for small to medium growth businesses, typically valued between A\$50 million and A\$200 million. It has currently advised and managed approximately \$1.25 billion of funds and assets since its inception in 2005. Since inception, Next Capital has completed over 60 transactions in a variety of industries including the financial services, leisure and entertainment, information & technology, healthcare, non-discretionary retail and others. Prior to Next Capital, the founding partners were former principals of Macquarie Bank's private equity division.

Next Capital has a substantial investment track record across a number of funds with prior experience in financial services.

Key business investments

Prior investments undertaken by funds advised or managed by Next Capital include:

Company	Country	Description
Alpha Group	Australia	Investment in a leading provider of car leasing for non-conforming consumers in Australia with synergistic car hire and parking businesses
Forest Coach Lines Group	Australia	Investment in a leading bus operator with government contracts in Metropolitan Sydney and an expanding footprint across rural NSW
Funlab Group	Australia	Investment in a leading out-of-home entertainment and leisure business with a portfolio of venues including Sky Zone, Holey Moley and Strike Bowling
iseek Communications Group	Australia	Investment in a leading independent data storage provider with presence in Queensland and NSW
Infinite Aged Care Group	Australia	Investment in a leading aged care business with presence in South Australia and South East Queensland
Lynch Group	Australia	Investment in Australia's largest wholesaler of floral and potted products
Noisette Group	Australia	Investment in a leading artisanal baker with strong presence in Victoria, New South Wales and Queensland
Scottish Pacific Group	Australia	Investment in Australia's largest non-bank debtor finance provider
Vitaco Group	Australia	Investment in a leading Australasian based manufacturer, distributor and marketer of sports nutrition, vitamins and supplements

6.3 Funding arrangements for the Cash Scheme Consideration

The Next Capital Funds have legally binding subscription agreements from the fund's limited partners and the Next Capital Co-Investment Trusts have legally binding subscription agreements from the co-investors (together the **Subscription Agreements**).

Under the Subscription Agreements, the Bidder has in aggregate sufficient committed funds to fund the Cash Scheme Consideration of \$27,487,541.20 which will be funded to the Bidder no later than two Business Days prior to the Implementation Date and will be used by the Bidder for the purpose of paying, and to the extent necessary to pay, the maximum Cash Scheme Consideration. Additional amounts can be called on under the Subscription Agreements if required to meet immediate future requirements of Silver Chef.

On the basis of the arrangements described above, the Bidder believes that it has reasonable grounds for holding the view, and holds the view, that the Bidder will be able to satisfy its obligation to provide the Cash Scheme Consideration as and when it is due under the terms of the Scheme.

6.4 Summary of Shareholders' Deed

Following Implementation of the Scheme, a Shareholders' Deed governing the affairs of Silver Chef will be entered into between Silver Chef, the Bidder and (if they vote in favour of the Scheme and elect to retain their Silver Chef Shares) the Founder Shareholders. In addition, a new Constitution of Silver Chef will be adopted (which will contain the pre-emptive rights provisions and drag along and tag along rights as set out in the Shareholders' Deed) (**New Constitution**).

Copies of the Shareholders' Deed and the New Constitution have been or will be provided to the Founder Shareholders who are entitled to elect to retain their Silver Chef Shares in lieu of receiving the Cash Scheme Consideration. A summary of the key rights and obligations attaching to Silver Chef Shares under the Shareholders' Deed is set out below.

Founder Shareholders who are entitled to elect to retain their Silver Chef Shares in lieu of receiving the Scheme Consideration should seek professional guidance from a solicitor, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to elect to retain their Silver Chef Shares, including in relation to the risk factors relating to holding Silver Chef Shares in light of their own personal circumstances and the rights and obligations under both the Shareholders' Deed and the New Constitution if they make an election to retain their Silver Chef Shares.

Key terms of the Shareholders' Deed

- **Board composition:** Silver Chef must have a minimum of 3 Directors – if Founder Shareholders elect to retain their Silver Chef Shares, they are entitled to appoint 1 Director as long as the Founder Shareholders (in aggregate) at any time hold more than 6.5% of the Silver Chef Shares. A shareholder who holds at least 15% (but less than 51%) of the total Silver Chef Shares may appoint 1 Director. Any shareholder (or shareholder group) who hold at least 51% of the Silver Chef Shares (**Majority Shareholder**) will have the right to appoint the majority of the Directors and nominate the chair (who will not have a casting vote).
- **Quorum for board meetings:** If the Founder Shareholders have a right to appoint a Director, the quorum for a Board meeting must include that Director and a Director appointed by the Majority Shareholder but the quorum for any adjourned meeting is any Director present (which must include a Director appointed by the Majority Shareholder).
- **Board voting:** Directors are entitled to cast the same number of votes that their appointing shareholders are entitled to cast (without double counting where shareholders have multiple appointees to the Board). Each and all decisions must be made by simple majority, unless explicitly stated otherwise.
- **Right of financiers:** Under certain default circumstances under Silver Chef's debt arrangements, certain financiers will have the right to:
 - have an observer (chosen by the financier) appointed to attend, but not vote on, meetings of the Board (except in respect to matters where there is a conflict of interest between Silver Chef and that financier);
 - appoint all or a majority of the Directors; and
 - veto shareholder decisions.
- **Quorum for shareholder meetings:** The quorum for a shareholders' meeting must include at least one representative from each of the Founder Shareholders group, Bidder Group and any other shareholder group (if applicable) but if there is no quorum at the first meeting, the quorum for the adjourned meeting is any shareholder present (which must include the Majority Shareholder).
- **Shareholder voting:** Except as noted above, all shareholder decisions will be by simple majority unless it relates to one of the following matters in which case approval by shareholders holding 93.5% of the Silver Chef Shares is required (subject to the provisions relating to exit rights and drag along rights):
 - share issues other than such specifically allowed for under the Shareholder's Deed;
 - any variation of the rights attached to any shares or class of shares or creation of any different class of securities, other than those issued under an approved management equity plan;

- entering into any transaction which is not on a commercial ‘arms’ length’ basis or is of an unusual or onerous nature or which is outside the ordinary course of business;
- voluntary liquidation or wind up operations, other than as required by law;
- sale of the whole or part of any material undertaking, other than in accordance with the Shareholders’ Deed;
- creation, allotment or issue of any other security or options over shares, other than in accordance with and specially provided for in the Shareholders’ Deed;
- any merger or other amalgamation that is inconsistent with Silver Chef’s business plan to the extent it does not treat the rights of all shareholders consistently; and
- amendments to Silver Chef’s constitution.
- **Issue of new shares:** Subject to specific carve outs where the pre-emptive process will not apply (including new shares issued pursuant to the Equity Injection referred to in Section 6.5(c)), there will be pre-emptive rights to additional securities by current shareholders upon new issues of securities (entitling the current shareholders to subscribe pro-rata for new securities before they are offered to any third party). For the first 18 months post implementation of the Scheme, the issue price of new securities must be no more than \$0.70 per share (being the equivalent to the Cash Scheme Consideration).
- **Pre-emptive rights on disposal:** If there is a Majority Shareholder, no shareholder may dispose of its securities without the approval of the Majority Shareholder (subject only to limited exceptions). Subject to specific exemptions where the pre-emptive rights procedure will not apply, a shareholder wishing to dispose of its Shares must first offer the Shares (e.g. on a pro-rata basis) to the other shareholders in accordance with an agreed pre-emption procedure, provided such disposal is approved by Majority Shareholders.
- **Tag rights:** If a Majority Shareholder wishes to dispose of Shares representing more than 50% of its Silver Chef Shares it must provide the other shareholders with a right to tag-along on the sale in the same proportion and on the same terms.
- **Exit rights / drag along:** The Majority Shareholders may at any time request Silver Chef to initiate an exit event (which includes an initial public offering, a sale of shares, an asset / business sale or a winding up) in which case the other shareholders must co-operate with and work with Silver Chef and the Majority Shareholders to implement the exit event. Notwithstanding the rights of minority shareholders, if a Majority Shareholder decides to sell more than 50% of their Silver Chef Shares, they may require the other shareholders to sell an equivalent proportion of their Silver Chef Shares.
- **Security Interest:** As long as there are amounts outstanding or liabilities owed under certain of Silver Chef’s debt facilities, each shareholder must grant a security interest over all of their shares in favour of the Security Trustee (as identified under the Target SFA) and do all things to effect the granting of such security interest.
- **Events of Default:** On the occurrence of an event of default under the Shareholders’ Deed, a shareholder may be subject to a compulsory sale of its Silver Chef Shares, which may be sold at a discount to market value.
- **Termination of the Shareholders’ Deed:** The Shareholders’ Deed automatically terminates: on an exit event; if a Silver Chef financier becomes the holder of at least 75% of the Silver Chef Shares; if one person acquires all of the Silver Chef Shares; or on the winding up of Silver Chef.
- **Non-compete:** The Founder Shareholders will be subject to non-compete provisions (applying in Australia, New Zealand, Canada and the United States), non-poach provisions and non-solicitation provisions, each of which will apply for a period of 5 years from when they cease to hold any Silver Chef Shares.
- **Information rights:** Any shareholder group holding in aggregate at least 6.5% of the Shares will be entitled to receive certain financial information of the Silver Chef Group including monthly reports, audited consolidated accounts and the budget and business plan.

Following Implementation of the Scheme, Silver Chef will have debt financing in place. Under the terms of that debt financing, if defaults arise in the future under the terms of the financing arrangements, it is possible that certain of Silver Chef’s financiers may become a shareholder of Silver Chef and become entitled to Board appointment rights if those defaults are not waived or cured. The Shareholders’ Deed will contain provisions contemplating the entry of such persons as a shareholder in the event such matters arise. In that case, any new shareholder would be bound by the terms of the Shareholders’ Deed (unless the Shareholders’ Deed is terminated as a result of such matter arising).

6.5 The Bidder's intentions if the Scheme is implemented

If the Scheme is implemented, the Bidder will become the holder of all Silver Chef Shares (except for any Retained Shares) and, accordingly, Silver Chef will become controlled by the Bidder.

This Section 6.5 sets out the present intentions of the Bidder in relation to the continuation of Silver Chef's business, any major changes to the business of Silver Chef, and the future employment of the present employees of Silver Chef, in each case if the Scheme is implemented.

The statements of intention made in this Section 6.5 are statements of present intention only and are based on the information concerning Silver Chef (including certain non-public information made available by Silver Chef to the Bidder prior to entry into the Scheme Implementation Agreement) and the general business environment which is known to the Bidder at the time of preparation of this Scheme Booklet. The Bidder does not currently have full knowledge of all material information, facts and circumstances that are necessary to assess all of the operational, commercial, taxation and financial implications of its current intentions. Final decisions on these matters will only be made by the Bidder after having conducted a detailed review of Silver Chef's business after the acquisition has been finalised. Accordingly, the statements set out in this Section 6.5 are statements of current intention only, which may change as new information becomes available or as circumstances change.

(a) Board of directors

The directors of Silver Chef after implementation of the Scheme are expected to be:

- Patrick Elliott;
- David Browne; and
- if Founder Shareholders approve the Scheme and elect to retain their Silver Chef Shares, they will be entitled to appoint 1 Director. If the Founder Shareholders do not elect to retain their Silver Chef Shares, the Next Capital Funds will be entitled to appoint the third Director.

Patrick Elliott

Patrick is a founding partner of private equity firm Next Capital where he is a director of a number of portfolio companies.

Prior to founding Next Capital, Patrick was an Executive Director of Macquarie Bank having joined the private equity division in 1997, with experience in a broad range of sectors including financial services, retail, industrial and consumer products and services. Patrick was recently Chairman of ASX-listed Scottish Pacific prior to its take-private acquisition by Affinity Equity Partners. He was also Chairman of JB Hi-Fi Limited from 2000 to 2012 and Chairman of the Australia Venture Capital

Association Limited (AVCAL) in 2004. Patrick holds a Masters of Business Administration (Hons) from IMD (Switzerland) and a Bachelor of Commerce/Law from the University of New South Wales.

David Browne

David is an Investment Director of private equity firm Next Capital. He is a director of Next Capital portfolio business Noisette.

Prior to joining Next Capital, David held investment roles at Arowana & Co. and Catalyst Investment Managers. David began his career at Macquarie Capital. David is a former director of the holding companies of Global Television and Cirrus Media, and holds a Bachelor of Commerce/Law from the Australia National University.

(b) Operations

If the Scheme is implemented, the Bidder intends to continue the business of Silver Chef largely in its current form. Bidder intends to continue the process of exiting the GoGetta Business through an orderly run off process.

The Bidder intends to work with Silver Chef's management team to optimise the prospects and operating performance of the business, including new potential growth adjacencies. In order to achieve these outcomes, the Bidder intends to undertake a detailed review of Silver Chef's business to verify (or to identify any deviation from) the Bidder's understanding of the information, facts and circumstances concerning Silver Chef's assets, strategies and operations as at the date of this Scheme Booklet. The Bidder will then work with Silver Chef's management team and its consultants to determine how to further develop Silver Chef's business in order to maximise its operating performance.

In the course of the review, the Bidder intends to focus on the opportunity to continue Silver Chef's strong track record of investing in people, processes and systems across a number of key specific areas, including improving underlying business performance and credit policies.

(c) Recapitalisation

Immediately following Implementation of the Scheme, the Bidder intends to recapitalise Silver Chef by way of an aggregate equity injection of \$47.8 million into Silver Chef (**Equity Injection**). The Equity Injection will be funded by each of the Bidder entities in their Respective Proportions. In consideration for the Equity Injection, the Bidder will receive in aggregate an additional 68.3 million ordinary shares in Silver Chef at an issue price of \$0.70 per share (which is equivalent to the Cash Scheme Consideration).

The requirements of the Bidder to make the Equity Injection is for the purpose of allowing Silver Chef to make repayments under the Syndicated Debt Facility of \$35.0 million (being a condition under the Target SFA Waiver Letter) and the balance of the Equity Injection will be used by Silver Chef for transaction-related costs and working capital purposes.

The Founder Shareholders, if they elect to retain their Silver Chef Shares, will not participate in the new capital raising as part of this Equity Injection, resulting in Founder Shareholders being diluted from a maximum of 22.60% to 8.25% of the issued shares in Silver Chef (assuming all Founder Shareholders elect to retain their Silver Chef Shares).

(d) Management, employees and incentive plans

The Bidder acknowledges there is significant value, knowledge, and expertise in the existing senior management team and employees of Silver Chef. The detailed review of Silver Chef's operations noted above will include specific consideration of staffing and organisational structure. Accordingly these matters will be finalised by the Bidder following the completion of the Scheme and will be based on all material facts and circumstances at the relevant time.

Following implementation of the Scheme, the Bidder will consider the establishment of a customary equity incentive plan for eligible staff of Silver Chef.

(e) Delisting

If the Scheme is implemented, the Bidder will arrange for an application to be made to ASX for Silver Chef to be removed from ASX's official list with effect from, or shortly after, the Implementation Date and subsequently converted into a proprietary company limited by shares.

(f) Head office

If the Scheme is implemented, it is the intention of the Bidder that Silver Chef's head office remain located in West End, Queensland.

6.6 Other information

(a) Interest in Silver Chef Shares

As at the date of this Scheme Booklet, neither the Bidder nor any of its Associates has any Relevant Interest or voting power in any Silver Chef Shares.

(b) Dealing in Silver Chef Shares in previous four months

Neither the Bidder nor any of its Associates has provided or agreed to provide consideration for any Silver Chef Shares under any other transaction during the period of four months before the date of this Scheme Booklet.

(c) Benefits to holders of Silver Chef Shares

During the four months before the date of this Scheme Booklet, neither the Bidder nor, to the best of its knowledge, any of its Associates has given or offered to give or agreed to give a benefit to another person where the benefit was likely to induce the other person or an Associate to:

- vote in favour of the Scheme; or
- dispose of Silver Chef Shares,

where the benefit was not offered to all Silver Chef Shareholders.

(d) Benefits to current Silver Chef officers

Neither the Bidder nor any of its Associates will be making any payment or giving any benefit to any current officers of Silver Chef as compensation or consideration for, or otherwise in connection with, their resignation from their respective offices if the Scheme is implemented.

(e) Other material information

Except as set out in this Scheme Booklet, there is no information material to the making of a decision by Silver Chef Shareholders whether or not to vote in favour of the Scheme that is within the knowledge of the directors of the Bidder at the date of this Scheme Booklet that has not previously been disclosed to Silver Chef Shareholders.

(f) Consents

The Bidder has given, and has not withdrawn before the time of registration of this Scheme Booklet with ASIC, its consent to be named in this Scheme Booklet in the form and context in which it is named and, in the case of the Bidder, its consent to the inclusion of the Bidder Group Information, on the basis set out in the Section entitled "Important Notices" and as set out in the Scheme Implementation Agreement.

7

Risk Factors

7.1 Introduction

In considering the Scheme Resolution, you should be aware that there are a number of risk factors, both general and specific, associated with the Scheme. There are also risks specific to Silver Chef and/or the industries in which it operates, which could materially adversely affect the future operating and financial performance of Silver Chef, the value of Silver Chef Shares and future dividends.

This Section sets out:

- general investment risks (Section 7.2);
- risk factors specific to an investment in Silver Chef (Section 7.3); and
- risk factors which may prevent the Scheme from being implemented (Section 7.4).

If the Scheme becomes Effective, Scheme Shareholders (other than Electing Founder Shareholders) will receive the Scheme Consideration and cease to be a Silver Chef Shareholder, and therefore will no longer be exposed to the risks set out in this Sections 7.2 and 7.3 as Silver Chef Shareholders. Scheme Shareholders who receive Contingent Value Notes will remain exposed to certain risks as a result of holding interests in Contingent Value Notes set out in Section 4.9.

The outline of the risks set out in this Section 7 is a summary only and should not be considered exhaustive. This Section 7 does not purport to list every risk that may be associated with continuing to hold Silver Chef Shares now or in the future. Further, the occurrence or consequences of some of the risks described in this Section 7 may be partially or completely outside the control of Silver Chef, its Directors and senior management team.

These risk factors do not take into account the individual investment objectives, financial situation, position or particular needs of Silver Chef Shareholders. Before deciding how to vote in relation to the Scheme Resolution, you should have a sufficient understanding of these matters, having regard to your own individual risk profile, portfolio strategy, investment objectives, financial circumstances and taxation position. If you do not understand any part of this Scheme Booklet or are in any doubt as to how to vote in relation to the Scheme Resolution, it is recommended that you seek professional guidance from your financial, legal, taxation or other independent and qualified professional adviser before deciding how to vote.

You should carefully consider the risk factors discussed in this Section 7, as well as the other information contained in this Scheme Booklet before voting on the Scheme Resolution.

7.2 General market risks

Like many listed companies, Silver Chef is exposed to a number of general risks that could materially adversely affect its financial position, assets and liabilities, reputation, profits, prospects and the market price and/or value of Silver Chef Shares.

These could include any or all of the following:

- fluctuations in economic conditions in Australia and internationally, including fluctuations in economic growth, interest rates, exchange rates, the level of inflation and employment levels;
- fluctuations in Australian and overseas stock markets;
- changes in government fiscal, monetary, regulatory and foreign policy in relevant jurisdictions and changes to political or judicial policies or conditions (including the impact of referendums in relevant jurisdictions);
- increases in expenses (including wage inflation);
- changes to accounting or financial reporting standards; and
- natural disasters and catastrophic events.

7.3 Specific risks relating to Silver Chef and/or the industries in which it operates

(a) ASIC Investigation

As has previously been announced to ASX, Silver Chef has been working through an issue that has arisen with ASIC regarding a number of contracts relating to the financing of motor vehicles issued by the GoGetta Business in prior years that the regulator considers as constituting consumer lending without an appropriate Australian credit licence which would constitute a contravention of the National Consumer Credit Protection Act 2009 (Cth) (**ASIC Investigation**). These contracts relate to the purchase of sedans, wagons or SUVs and were all originated through third party finance brokers.

Silver Chef commissioned EY to provide independent compliance services and validate the review undertaken by GoGetta of its contracts and the GoGetta internal processes. This work included reviewing a sample of GoGetta's customer lending files. Following the work completed by EY, GoGetta provided a draft remediation plan to the relevant area of ASIC.

Silver Chef continues to liaise with ASIC to resolve this matter. As at 31 December 2018, Silver Chef has included a \$5.8 million provisioning for customer remediation and related costs. There is no guarantee however that the costs will be below the amount provisioned for, or that the ASIC Investigation will be resolved favourably and without additional conditions being placed on Silver Chef's operations. If Silver Chef is unable to resolve the ASIC Investigation in a favourable manner, it could have an adverse effect on Silver Chef's financial position and/or reputation.

(b) Financier waiver conditions

Silver Chef has been operating and continues to operate under waivers from its financiers in relation to breaches of its debt covenants under the Target Credit Facilities as at 30 June 2018. The waivers (which are subject to various conditions) have been extended to 30 November 2019 to allow the Scheme process to proceed.

The financier waivers are subject to a number of ongoing conditions which are summarised in Section 9.1. If any of the conditions are breached or not satisfied by the requisite time the waiver may be revoked or cease to be in effect, which amongst other things will trigger a right for the Bidder to terminate the Scheme Implementation Agreement (other than if solely caused by the Bidder's mezzanine debt commitment letter being cancelled or terminated). There is also a risk that a 'waiver review event' (as defined in the Target SFA) could occur and the financiers, following a negotiation period, elect to terminate the waivers and require Silver Chef to repay all outstanding amounts. Additionally, in certain circumstances where an 'event of default occurs', Silver Chef would be required to immediately repay all amounts owing under the Target Credit Facilities and Silver Chef may be placed into receivership or voluntary administration unless a viable alternative emerges.

As noted below, if the Scheme does not proceed there is no guarantee that the waivers would be extended or renegotiated on terms favourable to Silver Chef.

(c) Ongoing support of financiers

If the Scheme does not proceed, the existing waivers of breaches of debt covenants obtained from existing financiers under the Target Credit Facilities would need to be renegotiated and further extended. There is no guarantee that the waivers would be extended or renegotiated on terms favourable to Silver Chef.

If the financiers do not agree to amend or extend the waivers, the financiers may require Silver Chef to immediately cease originations and commence an orderly wind down of its business. The Independent Directors consider that an orderly wind down of Silver Chef's business would provide an outcome for Silver Chef Shareholders that is inferior to the Scheme.

If the Scheme does not proceed, there is also a risk that Silver Chef may be placed into receivership or voluntary administration unless a viable alternative emerges.

(d) Capital risk

Silver Chef's growth plans are dependent upon access to debt and equity capital. The Independent Directors have assessed the prospects of raising additional debt and equity and considered that it would be difficult for the reasons listed in Section 2.2.

Additionally, Silver Chef's financiers have placed restrictions on Silver Chef's ability to write new business (due to the restrictions on drawing down on its Syndicated Debt Facility to make acquisitions and restriction on asset sell-ins to the Securitisation Warehouse Facility, as announced to ASX on 1 March 2019).

(e) Credit risk

There is a risk that customers will not pay amounts due on time and will default. Silver Chef uses a combination of product design and business process to manage this risk. These include:

- receiving rental payments weekly in advance, by direct debit, which allows the credit teams to identify issues early if a customer begins to default;
- receiving a security bond from the majority of customers at the beginning of the contract. This bond is used to offset any overdue amounts owed if the customer defaults;
- seeking to work with small business and their cash flow commitments. However, if a contract remains in arrears for over six weeks, appropriate recovery action is implemented; and
- tendering its outsourced collection arrangements in the prior year and working with these third parties to enhance processes and systems while developing their understanding of our business and customers.

(f) Residual asset risk

There is a risk that assets cannot be recovered from defaulting contracts and are written off or that assets are returned from contracts and cannot be effectively remarketed. Silver Chef uses a number of means to manage this risk including:

- retaining title over its rental assets and registering its rental assets on the Personal Property Securities Register;
- managing any returned hospitality assets through one of Silver Chef's service facilities, where assets are cleaned, serviced and remarketed through direct sale or placing the asset back onto a new rental contract; and
- tendering its outsourced asset repossession arrangements and implementing more effective service agreements and key performance indicators with higher quality counterparties which will result in better asset recovery performance moving forward.

Risk Factors

(g) Fraud and cyber crime

Similar to other participants in the financial services sector, Silver Chef is subject to the risk of identity and credit application fraud with such events leading to Silver Chef's ability to realise its rights under rental contracts and may impact the recoverability of capital. To mitigate this risk, Silver Chef:

- uses third party customer evaluation software to give insight into financial behaviour and to verify customer identity information against an existing bank account;
- conducts a comprehensive assessment of equipment vendor partners prior to settling transactions documents with customers;
- uses internal audit and risk resources to review and make regular recommendations to improve risk control processes; and
- works with underwriters on an ongoing basis to improve responsiveness of fraud/crime insurance coverage.

(h) Cash flow risk and liquidity

Silver Chef's ability to service its debt and other obligations depends on the future performance and cash flow of its business which, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors, many of which are beyond Silver Chef's and the Silver Chef Board's control.

Following a breach of its financial covenants at 30 June 2018, Silver Chef has received ongoing waivers conditional on implementation of the Scheme. Silver Chef has moderated its origination growth to ensure sufficient liquidity is in place to maintain the business. Silver Chef further requires the ongoing waiver consent of its financiers to ensure sufficient liquidity is maintained.

In addition, Silver Chef requires significant capital to continue acquire new rental assets. There is no assurance that Silver Chef would be able to access and secure additional funding on reasonable terms, or at all.

(i) Competition risk

As with most markets, there can be no assurance that other parties will not develop, or achieve commercialisation, of products or intellectual property that compete with or supersede Silver Chef's products or intellectual property. Increased competition could result in price reductions, under-utilisation of equipment and personnel, reduced operating margins and loss of market share.

Despite Silver Chef's efforts to compete effectively in the markets in which it operates, any of these occurrences may adversely affect Silver Chef's financial performance and/or financial position. An increase in competition may also result in Silver Chef being unable to increase its prices which may adversely affect Silver Chef's financial performance and/or financial position.

(j) Reliance on key personnel

Silver Chef's future success depends on its continuing ability to retain and attract highly qualified sales, marketing and managerial personnel. Competition for such personnel can be intense and there can be no assurance that Silver Chef will be able to retain its sales, marketing and managerial employees, or that it will be able to attract and retain additional highly qualified personnel in the future. The ability to attract and retain the necessary personnel could have an adverse effect on Silver Chef's financial position and reputation.

(k) Litigation risk

Although not currently a party to any litigation, Silver Chef may, in the future, be involved in litigation. Litigation may be commenced against Silver Chef in any number of areas, including in connection with the ASIC Investigation by shareholders, regulatory authorities, employees or competitors. Also, Silver Chef may institute proceedings to, for example, to recover payment or resume equipment. Litigation involving Silver Chef may adversely affect Silver Chef's financial position and reputation.

(l) Legislative and regulatory risk

Silver Chef is subject to a variety of laws and regulations in Australia. Specifically, Silver Chef is required to comply with laws and regulations that apply to the rental finance industry.

More generally, Silver Chef is also required to comply with laws and regulations that apply to other businesses, such as employment, health and safety, taxation, continuous disclosure and intellectual property.

Silver Chef is focused on ensuring compliance with its regulatory obligations and regularly reviews its operations in light of regulatory developments that may impact its business. However, a breach of, or an unfavourable change to, introduction or interpretation of, laws and regulations may have an adverse effect on Silver Chef.

Adverse changes to legislation, regulation and policy may result in increased costs for Silver Chef and impact future earnings. Such changes may also result in periods of uncertainty which can give rise to delays or cancellations of proposed projects and/or contracts.

(m) Share market risk

There are general risks associated with any investment in the stock market. The value of Silver Chef Shares will be subject to varied and often unpredictable influences on the market for equities in general and, in particular, stocks in the industry in which Silver Chef operates, which are beyond Silver Chef's and the Silver Chef Board's control and unrelated to Silver Chef's financial performance.

There is no guarantee of profitability, dividends, returns of capital or the price at which Silver Chef Shares will trade on any market. Historical share price performance of Silver Chef Shares should not be taken as a guide to future Silver Chef Share price performance as the price of shares can fluctuate.

7.4 Risk factors which may prevent the Scheme from being implemented

(a) Conditions Precedent

The Scheme is subject to a number of Conditions Precedent, including Court approval and any approvals from ASX and ASIC and the approval of Silver Chef Shareholders and that no Material Adverse Effect or Target Prescribed Effect occur.

There is a risk that the applicable regulatory or Court approvals may not be obtained, or may be obtained subject to conditions which Silver Chef and/or the Bidder (as applicable) are not prepared to accept (acting reasonably), or may be delayed, or that Silver Chef Shareholders may not approve the Scheme. There is also a risk that a Material Adverse Effect or Target Prescribed Effect may occur.

In particular, it is a Target Prescribed Event if the terms of the Target Credit Facilities or waivers are amended, or any party gives any waiver or consent under or with respect to a Target Credit Facility or existing waiver, or if any provision of those documents become invalid, void, voidable or unenforceable in any respect.

The Scheme is also subject to a Condition Precedent related to the waivers received from Silver Chef's financiers and the Target Credit Facilities. Those waivers and the Syndicated Debt Facility and Securitisation Warehouse Facility contain a number of conditions, including financial covenants that are tested periodically. If an event occurs or circumstances exist which results in the relevant waivers to the Syndicated Debt Facility or Securitisation Warehouse Facility being revoked or ceasing to apply, or which results in or gives rise to a default, review event, waiver review event, stop funding or stop origination event (however described) under the Syndicated Debt Facility or Securitisation Warehouse Facility, as applicable (unless solely caused by the Bidder's mezzanine debt commitment letter being cancelled or terminated), in each case which is not waived within 10 Business Days and in any case before 8:00am on the Second Court Date on terms acceptable to the Bidder, the Condition Precedent will not be satisfied unless it is waived by the Bidder.

8

Implementing the Scheme

8.1 Scheme Implementation Agreement

(a) Overview

Silver Chef and the Bidder entered into a Scheme Implementation Agreement on 3 July 2019. A full copy of the Scheme Implementation Agreement is attached to Silver Chef's ASX announcement of 3 July 2019, available at www.asx.com.au.

The key terms of the Scheme Implementation Agreement are summarised below. This is a summary only and you should refer to the full copy of the Scheme Implementation Agreement for full details.

(b) Conditions Precedent

Implementation of the Scheme is conditional on the satisfaction (or waiver, if applicable) of all of the following Conditions Precedent:

- **ASIC and ASX:** Before 8.00am on the Second Court Date, ASIC and ASX issue or provide all reliefs, waivers, confirmations, exemptions, consents or approvals, and have done all other acts, necessary, or which Silver Chef and the Bidder agree are desirable, to implement the Scheme and such reliefs, waivers, confirmations, exemptions, consents, approvals or other acts (as the case may be) have not been withdrawn, suspended or revoked at 8.00am on the Second Court Date.
- **Shareholder Approval:** Silver Chef Shareholders approve the Scheme by the Requisite Majority in accordance with the Corporations Act.
- **FIRB Approval:** before 5.00pm on the Business Day before the Second Court Date either:
 - the Treasurer (or the Treasurer's delegate) has provided a written no objection notification to the Scheme either without conditions or with conditions acceptable to Bidder; or
 - following notice of the proposed Scheme having been given by Bidder to the Treasurer under the FIRB Act, the Treasurer has ceased to be empowered to make any order under Part 3 of the FIRB Act because the applicable time limit on making orders and decisions under the FIRB Act has expired.
- **Financial Assistance Resolution:** Silver Chef Shareholders approve the Financial Assistance Resolution.
- **Note Trust Deed:** Silver Chef and the Note Trustee entering into the Note Trust Deed and the Note Trustee having obtained approval from ASIC to act as the Note Trustee.
- **Court Approval:** The Court approves the Scheme in accordance with section 411(4)(b) of the Corporations Act.
- **Regulatory Approvals:** Before 8.00am on the Second Court Date the approvals of each Regulatory Authority which the Bidder and Silver Chef agree (acting reasonably) are necessary to implement the Scheme or conduct the Silver Chef Group's business on and from the implementation of the Scheme lawfully and in a manner consistent with its conduct prior to the Implementation Date.
- **Regulatory Intervention:** No Court or Regulatory Authority has issued or taken steps to issue an order, temporary restraining order, preliminary or permanent injunction, decree or ruling or taken any action enjoining, restraining or otherwise imposing a legal restraint or prohibition preventing the Scheme and no such order, decree, ruling, other action or refusal is in effect as at 8.00am on the Second Court Date.
- **Independent Expert:** The Independent Expert issues a report which concludes that the Scheme is in the best interests of Silver Chef Shareholders before the date on which the Scheme Booklet is lodged with ASIC.
- **No Target Prescribed Event:** No Target Prescribed Event occurs between the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date.
- **No Material Adverse Effect:** No Material Adverse Effect occurs between the date of the Scheme Implementation Agreement and 8.00am on the Second Court Date.
- **Representations and Warranties:** Silver Chef and the Bidder's representations and warranties are true and correct in all material aspects between the date of the Scheme Implementation Agreement and 8:00am on the Second Court Date.
- **Enforcement:** No material enforcement action is announced or commenced by a Regulatory Authority against the Silver Chef Group which relates to a material contravention of applicable laws or regulations which is likely to have an adverse financial impact on the consolidated net assets of \$9.8 million or profit before tax of the Silver Chef Group of at least \$1.4 million in the financial year ending 30 June 2019 and/or 30 June 2020 (but excluding any ASIC Event as defined below).
- **No material breach of Target Credit Facilities:**
 - no event occurs or circumstances exist before 8:00am on the Second Court Date (and for the avoidance of doubt, whether such event occurs or circumstances arise before or after 3 July 2019, being the date of the Scheme Implementation Agreement) which:
 - » results in any Target SFA Waiver being revoked or otherwise ceasing to apply or any condition to the continuation of any Target SFA Waiver not being met or satisfied; or

- » results in, has resulted in, gives rise to or has given rise to, a major default, a breach of any interim financial covenant, an event of default or a waiver review event (in each case howsoever described) under the Target SFA Waiver Letter, the Target SFA or any Target SFA Finance Document, which, in each case is not waived at that time pursuant to, and under the terms of, the Target SFA Waiver Letter;
 - no event occurs or circumstances exist before 8:00am on the Second Court Date (and for the avoidance of doubt, whether arising before or after 3 July 2019, being the date of the Scheme Implementation Agreement) which:
 - » results in any Target Warehouse Agreements Waiver being revoked or otherwise ceasing to apply or any condition to the continuation of any Target Warehouse Agreements Waiver not being met or satisfied; or
 - » results in, has resulted in, gives rise to or has given rise to a default, a review event, a stop funding or stop origination event (excluding any restriction on funding or origination which is itself a condition of the Target Warehouse Agreements Waiver Letter), early, a rapid or controlled or other amortisation event, a title perfection event, an event of default, a termination or a replacement event (including without limitation with respect to any originator, servicer, trustee, trust manager, trust administrator or other service provider) (in each case howsoever defined) under the Target Warehouse Agreement Waiver Letter or any Target Warehouse Agreement, in each case which is not waived at that time pursuant to and under the terms of the Target Warehouse Agreements Waiver Letter; or
 - » results in, has resulted in, gives rise to or has given rise to an obligation of Silver Chef to negotiate with Westpac Banking Corporation, including under paragraph 3.3 of the Target Warehouse Agreements Waiver Letter,
- in any such case, which is not waived or remedied within 10 Business Days of its occurrence and in any event (even if within less than 10 Business Days of its occurrence) before 8:00am on the Second Court Date, provided that any waiver sought by or granted to Silver Chef that enables it to satisfy this Condition Precedent is on terms acceptable to the Bidder provided that this Condition Precedent will not be taken to be unfulfilled solely as a result of the occurrence of any waiver review event referred to in paragraph 7.1(b)(iv) of the Target SFA Waiver Letter.

- **No ASIC Event:** No prosecution, litigation or other proceeding by ASIC against a Silver Chef Group Member occurring in respect of the ASIC Investigation, where the losses are or are reasonably likely to be for an aggregate amount of \$10 million or more (**ASIC Event**) has occurred between the date of the Scheme Implementation Agreement and 8:00am on the Second Court Date.

A summary of the status of the Conditions Precedent is set out in Section 9.4.

(c) Exclusivity arrangements

- **No existing discussions:** Silver Chef represents and warrants that, other than the discussions with the Bidder in respect of the Scheme, it is not currently in negotiations or discussions in respect of any Competing Transaction with any person.
- **No shop:** During the Exclusivity Period, Silver Chef must ensure that neither it nor any of its Representatives directly or indirectly solicits, invites, encourages or initiates any enquiries, negotiations or discussions, or communicates any intention to do any of these things, with a view to obtaining any offer, proposal or expression of interest from any person in relation to a Competing Transaction.
- **No talk:** Subject to the exception set out below, during the Exclusivity Period, Silver Chef must ensure that neither it nor any of its Representatives negotiates or enters into, or participates in negotiations or discussions with any other person regarding a Competing Transaction, or any agreement, understanding or arrangement that may be reasonably expected to lead to a Competing Transaction, even if that person's Competing Transaction was not directly or indirectly solicited, invited, encouraged or initiated by Silver Chef or any of its Representatives or the person has publicly announced the Competing Transaction.
- **No due diligence:** Subject to the exception set out below, during the Exclusivity Period, Silver Chef must ensure that neither it nor any of its Representatives in relation to a Competing Transaction:
 - enables any other person other than Bidder to undertake due diligence investigations on any member of the Silver Chef Group or their businesses or operations; or
 - makes available to any other person, or permits any other person to receive, other than Bidder (in the course of due diligence investigations or otherwise) any non-public information relating to any member of the Silver Chef Group or their businesses or operations.

Implementing the Scheme

- **Exceptions to no-talk and no due diligence:**
The no talk and no due diligence obligations do not apply to the extent they restrict Silver Chef or the Independent Directors from taking or refusing to take any action with respect to a genuine Competing Transaction (which was not solicited, invited, encouraged or initiated by Silver Chef) provided the Independent Directors have determined, in good faith and acting reasonably that:
 - after consultation with its financial advisors, such a genuine Competing Transaction is a Superior Proposal; and
 - after receiving written legal advice from its external legal advisers (who must be reputable advisers experienced in transactions of this nature) that failing to respond to such Competing Transaction would constitute, or be reasonably likely to constitute, a breach of the Independent Directors' fiduciary or statutory obligations or a breach of Silver Chef's statutory obligations.
- **Further exceptions:** Nothing in the Scheme Implementation Agreement prevents Silver Chef from:
 - continuing to make normal presentations to, and to respond to enquiries from, brokers, portfolio investors and analysts in the ordinary course in relation to the Scheme or its business generally; or
 - fulfilling its continuous disclosure requirements.
- **Notification of unsolicited approach:** During the Exclusivity Period, Silver Chef must promptly inform the Bidder if it or any of its Representatives:
 - receives any unsolicited approach with respect to any Competing Transaction;
 - receives any request for information relating to Silver Chef or any of its Related Bodies Corporate or any of their businesses or operations or any request for access to the books or records of Silver Chef or any of its Related Bodies Corporate which Silver Chef has reasonable grounds to suspect may relate to a Competing Transaction; and
 - provides any information relating to Silver Chef or any of its Related Bodies Corporate or any of their businesses or operations in connection with a Competing Transaction.
- **Matching right:** During the Exclusivity Period, Silver Chef:
 - must not enter into any legally binding agreement, arrangement or understanding pursuant to which a third party or Silver Chef proposes a Competing Transaction; and
 - must use its best endeavours to procure that none of the Independent Directors change their recommendation in favour of the Scheme to publicly recommend a Competing Transaction or recommend against the Scheme,

unless:

- the Independent Directors acting in good faith and in order to satisfy what the Independent Directors consider to be their statutory or fiduciary duties (having received written advice from its external legal advisers), determine that the Competing Transaction would be or would be likely to be an actual, proposed or potential Superior Proposal;
- Silver Chef has provided the Bidder with the material terms and conditions of the actual, proposed or potential Competing Transaction, including price and, the identity of the third party making the actual, proposed or potential Competing Transaction;
- Silver Chef has given the Bidder 5 Business Days after the provision of that information to provide a matching or superior proposal; and
- the Bidder has not submitted or proposed to Silver Chef a matching or superior proposal after the expiry of the 5 Business Day period.

If the Bidder provides a matching or superior proposal and the Independent Directors acting reasonably and in good faith determine that the proposal would provide an equivalent or superior outcome to Silver Chef Shareholders as a whole, then the Bidder and Silver Chef must use their best endeavours to amend the Scheme Implementation Agreement and, if applicable, the Scheme and the Deed Poll, as soon as reasonably practicable and Silver Chef must use its best endeavours to ensure that each Independent Director continues to recommend the Scheme to Silver Chef Shareholders.

(d) Independent Directors' recommendation

The Scheme Implementation requires that each Independent Director must recommend to Silver Chef Shareholders to vote in favour of the Scheme and must not change their recommendation unless there is a Superior Proposal or the Independent Expert concludes that the Scheme is not in the best interests of Silver Chef Shareholders or adversely changes its previously given opinion that the Scheme is in the best interests of Silver Chef Shareholders.

(e) Break Fee

The Break Fee provisions are set out in clause 11 of the Scheme Implementation Agreement.

Silver Chef has agreed to pay the Bidder a Break Fee of \$1,178,037 (plus GST) if certain events occur as set out in full in clause 11 of the Scheme Implementation Agreement, including:

- **Competing Transaction:** On or before the End Date, a Competing Transaction is announced and within 12 months of the End Date the third party who announced or made the Competing Transaction (and/or any of its Associates):

- completes a Competing Transaction; or
- acquires a Relevant Interest in more than 50% of Silver Chef Shares for which any defeating conditions have been satisfied or waived (and for the purposes of calculating the Relevant Interest, sections 609(6) and 609(7) of the Corporations Act will be disregarded when calculating such Relevant Interest in Silver Chef Shares);
- **Change of recommendation:** any Independent Director fails to recommend the Scheme or withdraws their recommendation, adversely changes or qualifies their recommendation or otherwise makes a public statement indicating that he or she no longer supports the Scheme, except where:
 - the change of recommendation or statement is made after the Independent Expert concludes that in the opinion of the Independent Expert the Scheme is not in the best interests of Silver Chef Shareholders (other than where a Competing Transaction has been proposed or announced before the report is issued which the Independent Expert may reasonably regard to be on more favourable terms than the Transaction); or
 - Silver Chef is entitled to terminate the Scheme Implementation Agreement due to a material breach by the Bidder and has given the appropriate termination notice to the Bidder.
- **Termination:** The Bidder validly terminates the Scheme Implementation Agreement if:
 - a Target Prescribed Event occurs or becomes known to Bidder on or after the date of the Scheme Implementation Agreement;
 - a Material Adverse Effect occurs or becomes known to Bidder on or after the date of the Scheme Implementation Agreement and the relevant event, matter, circumstance or occurrence giving rise to the Material Adverse Effect was caused by or as a result of:
 - » a deliberate act or omission of Silver Chef; or
 - » a failure by Silver Chef to take reasonable steps (which steps were within the control of Silver Chef) to prevent the relevant event, matter, circumstance or occurrence;
 - the Independent Directors fail to recommend or changes its recommendation for Silver Chef Shareholders to vote in favour of the Scheme at any time prior to 8:00am on the Second Court Date; or
 - Silver Chef is in material breach of the Scheme Implementation Agreement, provided the Bidder has provided Silver Chef with notice setting out the relevant circumstances and the relevant circumstances continue to exist 10 Business Days (or any shorter period ending at 8:00am on the Second Court Date) after the time such notice is given.

(f) Termination rights

The Scheme Implementation Agreement may be terminated:

- **Target Prescribed Event:** By the Bidder, if a Target Prescribed Event occurs or becomes known to the Bidder after the date of the Scheme Implementation Agreement.
- **Material Adverse Effect:** By the Bidder, if a Material Adverse Effect occurs or becomes known to the Bidder after the date of the Scheme Implementation Agreement.
- **End Date:** By either party, if the Scheme has not become Effective on or before the End Date.
- **Lack of support:** By the Bidder, if at any time prior to 8:00am on the Second Court Date any Independent Director fails to recommend or changes its recommendation to Silver Chef Shareholders that they vote in favour of the Scheme.
- **Material breach:** By either Silver Chef or the Bidder at any time prior to 8:00am on the Second Court Date, if the other party is in material breach of the Scheme Implementation Agreement in certain circumstances.
- **Competing interest:** By Bidder, if a person, (other than the Bidder or its Associates or the Founder Shareholders) and/or any of its Associates, has a Relevant Interest in more than 20% of Silver Chef Shares where the acquisition of that Relevant Interest in the Silver Chef Shares has been facilitated in any manner by Silver Chef other than the registration of transfers of Silver Chef Shares in the ordinary course.
- **Competing Transaction:** By Silver Chef, if the Independent Directors determine that a Competing Transaction (that was not solicited, invited, encouraged or initiated by Silver Chef) is a Superior Proposal and that Silver Chef has complied with all of its obligations to pay the Break Fee.
- **Condition Precedent:** by Silver Chef or Bidder, if a Condition Precedent has failed and Silver Chef and the Bidder cannot agree on a suitable solution in certain circumstances (noting that a party cannot terminate the Scheme Implementation Agreement if the relevant Condition Precedent has not been satisfied or agreement cannot be reached as a result of a breach of the Scheme Implementation Agreement by that party or a deliberate act or omission of that party);
- **Court Approval:** By either Silver Chef or the Bidder if the Court refuses to make orders convening the Scheme Meetings or approving the Scheme and that decision is not appealed by Silver Chef and the Bidder in certain circumstances.
- **Agreement:** If agreed to in writing by the Bidder and Silver Chef.

The termination rights are set out in full in clause 13 of the Scheme Implementation Agreement.

8

Implementing the Scheme

8.2 Voting on the Scheme and Financial Assistance Resolution

The Scheme will only become Effective and be implemented if:

- the Requisite Majority of Silver Chef Shareholders approve the Financial Assistance Resolution at the General Meeting;
- the Requisite Majority of Silver Chef Shareholders approve the Scheme Resolution at the Scheme Meetings;
- the Court approves the Scheme at the Second Court Hearing; and
- all Conditions Precedent have been satisfied or waived (if applicable) by the End Date.

Passing of the Financial Assistance Resolution by Silver Chef Shareholders requires approval by at least 75% of the total number of votes cast on the Financial Assistance Resolution by Silver Chef Shareholders present and voting at the General Meeting.

Passing of the Scheme Resolution by Silver Chef Shareholders requires approval by both:

- a majority in number (more than 50%) of Silver Chef Shareholders present and voting at the applicable Scheme Meeting – it should be noted that the Court has the power to waive this requirement; and
- at least 75% of the total number of votes cast on the Scheme Resolution by Silver Chef Shareholders present and voting at the applicable Scheme Meeting.

8.3 Court approval of the Scheme

In the event that:

- the Scheme is approved by the Requisite Majority of Silver Chef Shareholders at the Scheme Meetings (see Section 8.2 for the Scheme Resolution approval requirements); and
- all Conditions Precedent (except Court approval of the Scheme) have been satisfied or waived (if they are capable of being waived),

then Silver Chef will apply to the Court for orders approving the Scheme.

The Court may refuse to grant the orders referred to above even if the Scheme is approved by the Requisite Majority of the Silver Chef Shareholders at the Scheme Meetings.

ASIC has been asked to issue a written statement that it has no objection to the Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Scheme, the Court may still approve the Scheme provided it is satisfied that the Scheme has not been proposed for the purpose of enabling a person to avoid the operation of any of the takeovers provisions in Chapter 6 of the Corporations Act.

The date on which the Court hears Silver Chef's application is the Second Court Date, which is expected to be on 11 September 2019. Any change to this date will be announced through the ASX. The hearing will be held at the Supreme Court of Queensland, 415 George Street, Brisbane, Queensland 4000.

Each Silver Chef Shareholder has the right to appear at the Second Court Hearing. Any Silver Chef Shareholder who wishes to oppose approval of the Scheme at the Second Court Hearing may do so by filing with the Court, and serving on Silver Chef, a notice of appearance, in the prescribed form, together with any affidavit on which the Silver Chef Shareholder wishes to rely at the Second Court Hearing at least one day before the Second Court Hearing.

8.4 Deed Poll

As at the date of this Scheme Booklet, a deed poll has been executed by the Bidder in favour of the Scheme Shareholders, to:

- provide, or to procure the provision of, the Scheme Consideration payable to Scheme Shareholders (other than Electing Founder Shareholders) in accordance with the Scheme, subject to the Scheme becoming Effective; and
- undertake all other actions attributed to the Bidder under the Scheme.

A copy of the Deed Poll is contained in Attachment B.

8.5 Effective Date

If the Court approves the Scheme, the Scheme will become Effective on the Effective Date (currently expected to be 11 September 2019), being the date an office copy of the Court order from the Second Court Hearing approving the Scheme is lodged with ASIC. Silver Chef will, on the Scheme becoming Effective, give notice of that event to ASX.

8.6 Record Date and entitlement to Scheme Consideration

If the Scheme becomes Effective, those Silver Chef Shareholders on the Silver Chef Share Register on the Record Date (currently expected to be 5.00pm (AEST) on 18 September 2019), other than Electing Founder Shareholders, will be entitled to receive the Scheme Consideration in respect of the Silver Chef Shares they hold at that time.

8.7 Implementation Date

If the Scheme becomes Effective, Scheme Shareholders (other than Electing Founder Shareholders) will be provided with the Scheme Consideration on the Implementation Date (currently expected to be 25 September 2019). Immediately after the Scheme Consideration is provided to Scheme Shareholders (other than Electing Founder Shareholders), the Scheme Shares will be transferred to the Bidder.

8.8 Payment of the Scheme Consideration

If the Scheme becomes Effective, Scheme Shareholders (other than Electing Founder Shareholders) will receive Cash Scheme Consideration of \$0.70 for each Scheme Share and:

- Scheme Shareholders (other than Electing Founder Shareholders and Ineligible Foreign Shareholders) will be issued one Contingent Value Note for each Scheme Share; and
- the Custodian will be issued the total number of Contingent Value Notes that would otherwise have been issued to the Ineligible Foreign Shareholders had they be entitled to receive them,

in accordance with the Scheme and the Note Trust Deed.

The Cash Scheme Consideration will be provided to Scheme Shareholders on the Implementation Date (currently expected to be 25 September 2019).

Scheme Shareholders who have validly registered their Australian ADI bank account details with the Share Registry before the Record Date (currently expected to be 5.00pm (AEST) on 18 September 2019) will have their Cash Scheme Consideration transferred directly to their bank account.

Scheme Shareholders who have not registered their Australian ADI bank account details with the Share Registry by that date and time will have their Cash Scheme Consideration sent by cheque to the address shown on the Silver Chef Share Register. Please refer to Section 3.5 for details regarding how to change or nominate a bank account in which to receive payment of your Cash Scheme Consideration.

Further details on the payment of Scheme Consideration are contained in Sections 3.2 to 3.6 and clause 5 of the Scheme contained in Attachment C.

9

Additional Information

9.1 Effect of the Transaction on Silver Chef's material contracts

As at the date of this Scheme Booklet, to the extent required Silver Chef has obtained the consent of any counterparties to material contracts that contain a 'change of control' provision and such consents have not been withdrawn. Accordingly, the Transaction will not have any effect on Silver Chef's material contracts.

Silver Chef received an extension of its existing conditional waivers from its financiers in relation to breaches of its debt covenants under the Target Credit Facilities as at 30 June 2018. The waivers have been extended to 30 November 2019 to allow the Scheme process to proceed and are subject to a number of conditions, including but not limited to Silver Chef complying with various interim financial covenants. If the conditions are breached, then the waivers may cease to apply or a scheme review event may occur.

It is a Condition Precedent to the Scheme that no default occurs under the Target Credit Facilities, that no scheme review events occur, or circumstances occur which results in the financiers' waivers being revoked or ceasing to apply (unless solely caused by the Bidder's mezzanine debt commitment letter being cancelled or terminated) which are not waived or remedied within 10 Business Days and in any case before 8:00am on the Second Court Date, provided that any such waiver must be on terms acceptable to the Bidder.

In addition, amongst other things if:

- (a) any Condition Precedent is not satisfied within the period required under the Scheme Implementation Agreement (unless waived with the financiers' consent, or waived where such waiver would not be reasonably be expected to be adverse to the interests of the financiers);
- (b) any event occurs which entitles a party to terminate the Scheme Implementation Agreement (unless waived with the financiers' consent, or waived where such waiver would not be reasonably be expected to be adverse to the interests of the financiers);
- (c) the Scheme Implementation Agreement is terminated in accordance with its terms (unless waived with the financiers' consent); or
- (d) the Bidder's mezzanine debt commitment letter (relating to the mezzanine facility which will only come into effect and be utilised by Silver Chef after implementation of the Scheme) is cancelled or terminated,

this will trigger a "waiver review event" for the purposes of the SFA Waiver Letter, pursuant to which the financiers and Silver Chef must negotiate for 30 days to determine the effect that the event has had or will have on Silver Chef and its ability to comply with its obligations under the Syndicated Debt Facility. Following negotiations the financiers may notify the Company that it wishes to cancel the facility following negotiations, in which case all amounts owing under the Syndicated Debt Facility will need to be immediately repaid in the case of a waiver review event triggered by paragraph (c) above, or within 60 days in any other case.

9.2 Taxation Implications of the Scheme

Australian tax implications for Australian tax resident shareholders

This analysis reflects the tax law in effect in Australia as at the date of this Scheme Booklet. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than Australia.

This analysis does not cover all possible Australian taxation considerations that could apply to Silver Chef Shareholders with respect to the proposed Scheme. In particular, the following discussion is only relevant to Silver Chef Shareholders who hold their Silver Chef Shares (and Contingent Value Notes) on capital account and not as revenue assets or trading stock (unless otherwise specified below).

This analysis does not deal with Silver Chef Shareholders who may be subject to special tax rules, such as financial institutions, insurance companies, managed investment trusts, tax exempt organisations, small businesses, dealers in securities, Silver Chef Shareholders subject to Australia's Taxation of Financial Arrangements (TOFA) rules, Silver Chef Shareholders who acquire their Silver Chef Shares in connection with an employee share plan or Silver Chef Shareholders who acquired their shares prior to Silver Chef listing on the Australian Stock Exchange (ASX) in 2006. This analysis also does not consider the tax consequences for a Silver Chef Shareholder who is not a resident of Australia for Australian income tax purposes or Ineligible Foreign Shareholders, who should obtain their own taxation advice regarding the taxation consequences that may arise in connection with the Scheme.

This analysis has been prepared on the basis that the Australian Capital Gains Tax (CGT) "Earnout" rules contained in Subdivision 118-I of the Income Tax Assessment Act 1997 will not apply to the Contingent Value Notes that will be acquired by Silver Chef Shareholders under the Scheme.

Notwithstanding the tax implications described below for Australian tax resident shareholders (which describe the issuance and redemption of the Contingent Value Note as being dealt with exclusively under the CGT provisions), there is a risk that the Commissioner of Taxation may adopt the view that:

- the issuance of the Contingent Value Note is a dividend for income tax purposes (equal to all or part of the market value of the Contingent Value Note at the time of issue) which is included in the assessable income of the Silver Chef Shareholder that is issued the Contingent Value Note; and/or
- all or part of the Redemption Amount is a non-share dividend which is included in the assessable income of the Silver Chef Shareholder receiving the Redemption Amount.

To the extent that the Commissioner of Taxation were to adopt the view that some or all of the consideration relating to the CVN's were regarded as an assessable dividend, then the capital proceeds for the purpose of the CGT provisions could be reduced accordingly in accordance with section 118-20 of the ITAA 1997

The following discussion does not constitute taxation advice. Each Silver Chef Shareholder should obtain their own taxation advice regarding the taxation consequences that may arise in connection with the Scheme.

(a) Australian Taxation Implications: Residents

Disposal of Silver Chef Shares

For Silver Chef Shareholders who are Australian residents for income tax purposes (**Residents**), a CGT event will occur when they dispose of their Silver Chef Shares in accordance with the Scheme (i.e. on the Implementation Date).

Silver Chef Shareholders will realise a capital gain if the amount received in connection with this disposal (called the "capital proceeds") is more than the cost base in the Silver Chef Shares. A capital loss will be realised to the extent that the capital proceeds received in connection with this disposal is less than the reduced cost base in the Silver Chef Shares. Capital losses can generally be offset only against capital gains realised in the same income year or later income years, subject to satisfying the relevant loss utilisation rules.

Capital Proceeds

The capital proceeds received for the disposal of the Silver Chef Shares will be equal to the total of the following:

- the Cash Scheme Consideration, being \$0.70 per Scheme Share; and
- the market value of the one Contingent Value Note per share issued to Silver Chef Shareholders. Please refer to section 6.9 of the Independent Expert's Report which provides the Independent Expert's assessment of the value of the Contingent Value Notes.

Cost Base/Reduced Cost Base

The cost base of the Silver Chef Shares will generally be the sum of the amount paid for the Silver Chef Shares, acquisition costs and other costs relating to the holding and disposal of Silver Chef Shares, but only to the extent a deduction has not been claimed for such costs. The reduced cost base is usually determined in a similar, but not identical manner. There are a number of circumstances which may result in the cost base or reduced cost base being calculated in a different manner to that outlined above.

Discount CGT Concession

Silver Chef Shareholders who are individuals, trusts or complying superannuation entities may be entitled to reduce their capital gain (after taking into account capital losses) by the CGT discount if they have held their Silver Chef Shares for at least 12 months prior to the time of the relevant CGT event (excluding the acquisition and disposal dates).

Individuals and trusts are entitled to reduce any capital gain remaining after the application of capital losses by 50% and complying superannuation funds are entitled to reduce any capital gain remaining after the application of any capital losses by 33 1/3%.

Realisation of Contingent Value Note

Silver Chef Shareholders will receive one Contingent Value Note per share as part of the Scheme Consideration for disposing of their Silver Chef Shares. A CGT event will occur when the rights under the Contingent Value Note "end" (for example, because the Contingent Value Note is redeemed, expires, or otherwise ends).

If the amount received (the "capital proceeds") as a result of the ending of the Contingent Value Note exceeds the cost base of the Contingent Value Note then the Silver Chef Shareholders will make a capital gain. If the amount received is less than the reduced cost base of the Contingent Value Note then the Silver Chef Shareholders will make a capital loss.

Additional Information

Capital proceeds

The capital proceeds will be the amount received by the Silver Chef Shareholders in connection with the ending of the Contingent Value Note. If the Contingent Value Note is redeemed, the capital proceeds will be the Redemption Amount. If the Contingent Value Note ends, through expiry without a payment being made to Silver Chef Shareholders, then the capital proceeds will be nil.

Cost Base/Reduced Cost Base

The cost base of the Contingent Value Note will generally be equivalent to market value of the property given by Silver Chef Shareholders to acquire it. The cost base will therefore be referable to the market value of that part of the Silver Chef Shares that Silver Chef Shareholders disposed of in order to acquire the Contingent Value Note. Practically, this cost base should reflect the market value of the Contingent Value Note received upon the disposal of the Silver Chef Shares.

Discount CGT Concession

Silver Chef Shareholders that are individuals, trusts and complying superannuation entities may be entitled to reduce their capital gain (after taking into account current year and carried forward capital losses) by the CGT discount mentioned above if they have held the Contingent Value Note for at least 12 months prior to the time the right ends (i.e. at least 365 days excluding the acquisition and disposal dates).

(b) Stamp Duty and Goods and Services Tax

No Australian stamp duty or Goods and Services Tax (GST) will be payable by Silver Chef Shareholders on the disposal of their Silver Chef Shares or ending of the Contingent Value Note in accordance with the Scheme.

New Zealand tax implications for New Zealand tax resident shareholders

This analysis reflects the tax law in effect in New Zealand as at the date of this Scheme Booklet. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than New Zealand.

This analysis does not cover all possible New Zealand taxation considerations that could apply to Silver Chef Shareholders with respect to the proposed Scheme. In particular, the following discussion is only relevant to Silver Chef Shareholders who hold their Silver Chef Shares (and Contingent Value Notes) on capital account and not as revenue assets or trading stock.

The following discussion does not constitute taxation advice. Each Silver Chef Shareholder should obtain their own taxation advice regarding the taxation consequences that may arise in connection with the Scheme.

For Silver Chef Shareholders who are New Zealand residents:

- the Cash Scheme Consideration received for the disposal of Silver Chef Shares will be non-assessable for New Zealand tax purposes. No deduction should be allowable if there is any capital loss on disposal of their shares;
- the issue of Contingent Value Notes received for the disposal of Silver Chef Shares should be non-assessable for New Zealand tax purposes; and
- the redemption or cancellation of the Contingent Value Notes by Silver Chef should be non-assessable for the New Zealand tax resident Noteholders. No deduction should be allowable if there is any capital loss on redemption or cancellation of their Contingent Value Notes (when compared against the market value it was issued for as part of the Scheme).

Australian tax implications for New Zealand tax resident shareholders

This analysis reflects the tax law in effect in Australia as at the date of this Scheme Booklet. It does not take into account or anticipate any changes in the tax law or future judicial interpretations of the law after this time, nor does it take into account the tax law of countries other than Australia.

This analysis does not cover all possible Australian taxation considerations that could apply to Silver Chef Shareholders (that are New Zealand tax residents) with respect to the proposed Scheme. In particular, the following discussion is only relevant to Silver Chef Shareholders who hold their Silver Chef Shares (and Contingent Value Notes) on capital account and not as revenue assets or trading stock (unless otherwise specified below).

This analysis does not deal with Silver Chef Shareholders who may be subject to special tax rules, such as financial institutions, insurance companies, managed investment trusts, tax exempt organisations, small businesses, dealers in securities, Silver Chef Shareholders subject to Australia's TOFA rules, Silver Chef Shareholders who acquire their Silver Chef Shares in connection with an employee share plan or Silver Chef Shareholders who acquired their shares prior to Silver Chef listing on the ASX in 2006. This analysis also does not consider the tax consequences for a Silver Chef Shareholder who is not a resident of Australia for Australian income tax purposes or Ineligible Foreign Shareholders, who should obtain their own taxation advice regarding the taxation consequences that may arise in connection with the Scheme.

Notwithstanding the tax implications described below for New Zealand tax resident shareholders (which depend on the issuance and redemption of the Contingent Value Note being dealt with exclusively under the CGT provisions), there is a risk that the Commissioner of Taxation may adopt a view that:

- the issuance of the Contingent Value Note is a dividend for income tax purposes (equal to all or part of the market value of the Contingent Value Note at the time of issue) which may give rise to a withholding tax liability on the gross amount of the dividend for the Silver Chef Shareholder that is issued a Contingent Value Note; and/or
- all or part of the Redemption Amount is a non-share dividend which may give rise to a withholding tax liability on the gross amount of the non-share dividend for the Silver Chef Shareholder that receives the Redemption Amount.

To the extent that the Commissioner of Taxation were to adopt the view that some or all of the consideration relating to the CVN's were regarded as an assessable dividend, then the capital proceeds for the purpose of the CGT provisions could be reduced accordingly in accordance with section 118-20 of the ITAA 1997.

The following discussion does not constitute taxation advice. Each Silver Chef Shareholder should obtain their own taxation advice regarding the taxation consequences that may arise in connection with the Scheme.

Capital gain or loss ignored

Where a Silver Chef Shareholder is a New Zealand tax resident, any capital gain or loss the shareholder makes on disposal of its Silver Chef Shares or on redemption or cancellation of its Contingent Value Notes should be disregarded.

9.3 Disputes and litigation

Silver Chef is from time to time involved in disputes and litigation.

As at the date of this Scheme Booklet, other than as set out below, the Silver Chef Group is not involved in any ongoing litigation or dispute which is material in the context of Silver Chef and its Subsidiaries taken as a whole.

ASIC investigation

Silver Chef continues to liaise with ASIC on the ASIC Investigation. As at 31 December 2018, Silver Chef has included a \$5.8 million provision for customer remediation and related costs. Refer to Section 7.3(a) for further information on the ASIC Investigation.

9.4 Status of Conditions Precedent

The Conditions Precedent are summarised in Section 8.1(b) are set out in clause 3.1 of the Scheme Implementation Agreement.

As at the Last Practicable Date, the Conditions Precedent which remain outstanding are:

- Court approval of the Scheme;
- the Scheme Resolution being passed by Silver Chef Shareholders by the Requisite Majority at the Scheme Meetings;
- the Financial Assistance Resolution being passed by Silver Chef Shareholders by the Requisite Majority at the General Meeting;
- no other orders or restraints being issued by regulatory authorities or the Court;
- no Material Adverse Effect occurs or Target Prescribed Event occurs;
- the representations and warranties given by Silver Chef and the Bidder in the Scheme Implementation Agreement remaining true and correct in all material respects;
- no material enforcement action is announced or commenced by a Regulatory Authority against or involving a Silver Chef Group Member relating to a material contravention of applicable laws or regulations;
- no event occurs or circumstances exist which results in the relevant waivers to the Syndicated Debt Facility or Securitisation Warehouse Facility being revoked or ceasing to apply, or which results in or gives rise to a default under the Syndicated Debt Facility or Securitisation Warehouse Facility, which is not waived within 10 Business Days on terms acceptable to the Bidder; and
- no prosecution, litigation or other proceeding by ASIC against a Silver Chef Group Member occurring in respect of the ASIC Investigation, where the losses are (or are reasonably likely to be for) an aggregate amount of \$10 million or more.

As at the Last Practicable Date, the Directors are not aware of any reason why these Conditions Precedent would not be satisfied or waived with the agreement of the Bidder.

The Scheme will not proceed unless all the Conditions Precedent are satisfied or waived (if applicable) in accordance with the Scheme Implementation Agreement.

Silver Chef will continue to keep Silver Chef Shareholders updated on any material developments.

9.5 Substantial shareholders of Silver Chef

As extracted from filings released on ASX, at the date of this Scheme Booklet, the following persons (being the Founder Shareholders associated with Mr Allan English) were substantial holders of Silver Chef Shares:

Substantial holder	Number of Silver Chef Shares	Voting power
Mr Allan John English and Mrs Tessa Winifred English as trustees for the Tessana Superannuation Fund	326,651	0.83%
Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust	3,999,956	10.19%
English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation	4,550,000	11.59%
Blue Stamp Company Pty Ltd (ACN 141 440 931) as the trustee for Blue Stamp Trust (ABN 20 026 742 248)	5,811,451	14.80%

9.6 Consents to be named

(a) Consents

This Scheme Booklet contains statements made by, or statements said to be based on statements made by:

- the Bidder, in respect of the Bidder Group Information only; and
- Ernst & Young Transaction Advisory Services Limited as the Independent Expert.

Each of those persons named above has consented to the inclusion of each statement it has made in the form and context in which the statements appear and has not withdrawn that consent at the date of this Scheme Booklet.

The following parties have given and have not, before the time of registration of this Scheme Booklet with ASIC, withdrawn their consent to be named in this Scheme Booklet in the form and context in which they are named:

- Jones Day;
- Boardroom Pty Limited;
- Melbourne Securities Corporation Limited; and
- Adara Partners (Australia) Pty. Limited.

(b) Disclosures and responsibility

Further, each person named in Section 9.6(a):

- has not authorised or caused the issue of this Scheme Booklet; and
- does not make, or purport to make, any statement in this Scheme Booklet or any statement on which a statement in this Scheme Booklet is based, other than:
 - the Bidder, in respect of the Bidder Group Information only; and
 - Ernst & Young Transaction Advisory Services Limited, in relation to its Independent Expert's Report; and
- to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Scheme Booklet other than a reference to its name and the statement (if any) included in this Scheme Booklet with the consent of that party as specified in this Section 9.6(b).

9.7 Intentions of Directors

The Corporations Regulations require a statement by the Directors of their intentions regarding Silver Chef's business. As set out in Section 6, if the Scheme becomes Effective, the Bidder intends to replace the current Directors with its nominees.

Accordingly, it is not possible for the Directors to provide a statement of their intentions regarding:

- the continuation of the business of Silver Chef or how Silver Chef's existing business will be conducted;
- any major changes to be made to the business of Silver Chef, including any redeployment of the fixed assets of Silver Chef; or
- the future employment of the present employees of Silver Chef,

in each case after the Scheme is implemented.

If the Scheme becomes Effective, the Bidder and the Electing Founder Shareholders will own all of the Silver Chef Shares and the Bidder will control Silver Chef. The current intentions of the Bidder if the Scheme becomes Effective are set out in Section 6.

If the Scheme is not implemented, the Independent Directors intend for Silver Chef to continue to operate on a standalone basis in accordance with its publicly stated strategy of delivering growth and shareholder value. Silver Chef would work with existing financiers to move towards compliance with financial covenants under the Target Credit Facilities, including its net debt to net rental assets ratio, through one of the following options:

- A. using Silver Chef's operating cash flows to reduce debt levels by reducing originations to a level that, as far as is feasible, maintains Silver Chef's funding relationship with its food service sector partners;
- B. using Silver Chef's operating cash flows to reduce debt levels more rapidly by reducing originations to a lower level than contemplated in Option A above; or
- C. ceasing originations and using Silver Chef's operating cash flows to wind down the business more rapidly, while maximising cash flows from the existing rental book, to fully repay bank debt.

Executing any of the above options will require support from Silver Chef's financiers through additional waivers and should be considered in conjunction with the general investment risks and specific risks relating to an investment in Silver Chef outlined in Sections 7.2 and 7.3. While executing any of the above options, Silver Chef would also continue to consider raising equity, or seek out a business partner or other solutions to accelerate the move towards compliance with financial covenants or repayment of debt, while at all times seeking to maximise shareholder value.

9.8 No unacceptable circumstances

The Independent Directors believe that the Scheme does not involve any circumstances in relation to the affairs of Silver Chef that could reasonably be characterised as constituting 'unacceptable circumstances' for the purposes of section 657A of the Corporations Act.

9.9 Foreign jurisdictions

The distribution of this Scheme Booklet outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws. Silver Chef disclaims all liabilities to such persons.

Silver Chef Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed.

No action has been taken to register or qualify this Scheme Booklet or any aspect of the Transaction in any jurisdiction outside of Australia.

9.10 No other material information

Except as disclosed elsewhere in this Scheme Booklet, so far as the Silver Chef Board is aware, there is no other information that is:

- material to the making of a decision by a Silver Chef Shareholder whether or not to vote in favour of the Scheme Resolution and Financial Assistance Resolution; and
- known to any member of the Silver Chef Board at the date of lodging this Scheme Booklet with ASIC for registration,

which has not previously been disclosed to Silver Chef Shareholders.

9.11 Supplementary disclosure statement

Silver Chef will issue a supplementary document to this Scheme Booklet if it becomes aware of any of the following between the date of this Scheme Booklet and the Effective Date:

- a material statement in this Scheme Booklet that is false or misleading in a material respect;
- a material omission from this Scheme Booklet;
- a significant change affecting a matter included in this Scheme Booklet; or
- a significant new matter that has arisen and would have been required to be included in this Scheme Booklet if it had arisen before the date of this Scheme Booklet.

Depending on the nature and timing of the changed circumstances, and subject to obtaining any relevant approvals, Silver Chef may circulate and publish any supplementary document by:

- making an announcement to ASX;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document to Silver Chef Shareholders at their address shown on the Silver Chef Share Register; and/or
- posting a statement on Silver Chef's website at www.silverchefgroup.com.au, as Silver Chef, in its absolute discretion, considers appropriate.

10

Definitions and interpretation

10.1 Definitions

In this Scheme Booklet unless the context otherwise appears, the following terms have the meanings shown below:

Term	Meaning
ACCC	the Australian Competition and Consumer Commission
APRA	the Australian Prudential Regulation Authority.
ASIC	the Australian Securities and Investments Commission.
ASIC Investigation	the ASIC investigation into the GoGetta Business for suspected contraventions of the National Consumer Credit Protection Act 2009 (Cth) in relation to the financing of motor vehicles for consumer customers without holding an Australian credit licence.
Associate	has the meaning set out in section 12 of the Corporations Act, as if section 12(1) of the Corporations Act included a reference to this document or another document to which the 'Associate' reference is contained, as the context requires.
ASX	ASX Limited ABN 98 008 624 691 and, where the context requires, the financial market that it operates.
Australian ADI	has meaning given in the Corporations Act.
Bidder	each of the following entities in their Respective Proportions: (a) Next Capital Trust IVA; (b) Next Capital Trust IVC; (c) Next Capital Trust IVD2; (d) Next Capital Co-investment Trust A; and (e) Next Capital Co-investment Trust B.
Bidder Group	The Bidder, its general partners and manager and a reference to a Bidder Group Member or a member of the Bidder Group is a reference to any one of them.
Bidder Group Information	the information contained in: (a) the answers to the following questions in Section 1: (i) 'Who is the Bidder?'; (ii) 'How will the Bidder fund the Cash Scheme Consideration?'; (iii) 'What are the Bidder's intentions for Silver Chef?'; and (iv) 'Are the Bidder and Founder Shareholders Associates?'; (b) Section 6; and (c) the following definitions in this Section 10.1: (i) 'Bidder'; (ii) 'Bidder Group'; (iii) 'Next Capital'; (iv) 'Next Capital Co-investment Trust A'; (v) 'Next Capital Co-investment Trust B'; (vi) 'Next Capital Co-investment Trusts'; (vii) 'Next Capital Funds'; (viii) 'Next Capital Trust IVA'; (ix) 'Next Capital Trust IVC'; (x) 'Next Capital Trust IVD2'; (xi) 'Respective Proportion'; and (xii) 'Shareholders' Deed'.
Break Fee	\$1,178,037 (plus GST).
Business Day	a business day as defined in the Listing Rules.
Cash Scheme Consideration	\$0.70 per Silver Chef Share held as at Record Date.
CGT	Australian Capital Gains Tax.

Term	Meaning
Competing Transaction	a proposal, transaction or arrangement (whether by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, joint venture or otherwise) which, if completed, would mean a person (other than Bidder or its Related Bodies Corporate) whether alone or together with its Associates would: (a) directly or indirectly, acquire a Relevant Interest in or become the holder of 20% or more of the Silver Chef Shares (other than as custodian, nominee or bare trustee); (b) acquire Control of Silver Chef, within the meaning of section 50AA of the Corporations Act; (c) directly or indirectly acquire, obtain a right to acquire, or otherwise obtain an economic interest in all or a substantial part of the assets of, or business conducted by, the Silver Chef Group; or (d) otherwise acquire or merge (including by a reverse takeover bid or dual listed company structure) with Silver Chef.
Conditions Precedent	each of the conditions set out in clause 3.1 of the Scheme Implementation Agreement and which are summarised in Section 8.1(b).
Contingent Value Notes	the Contingent Value Notes which form part of the Scheme Consideration to be issued by Silver Chef in accordance with the Scheme and the Note Trust Deed.
Corporations Act	the Corporations Act 2001 (Cth).
Corporations Regulations	the Corporations Regulations 2001 (Cth).
Court	the Supreme Court of Queensland or such other court of competent jurisdiction under the Corporations Act agreed in writing by Silver Chef and the Bidder.
Custodian	Melbourne Securities Corporation Limited ABN 57 160 326 545 in its capacity as custodian under the custody agreement between it and the Note Issuer.
Custodian CVNs	such number of Contingent Value Notes that is equal to the number of Scheme Shares held by all Ineligible Foreign Shareholders.
Deed Poll	a deed poll substantially in the form of Attachment B to this Scheme Booklet.
Determination Date	30 June 2021.
Director	each Silver Chef Board Member.
Effective	when used in relation to the Scheme, the coming into effect, under subsection 411(10) of the Corporations Act, of the order of the Court made under paragraph 411(4)(b) of the Corporations Act in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.
Effective Date	the date on which the Scheme becomes Effective.
Election Form	an election form for the use of Founder Shareholders who wish to elect to retain their Silver Chef Shares.
Election Deed Poll	a deed poll executed by a Founder Shareholder in favour of Silver Chef and the Bidder, substantially in the form attached to the Election Form.
Electing Founder Shareholders	Founder Shareholders who have made a valid election to retain all of their Silver Chef Shares in lieu of receiving the Scheme Consideration.
End Date	15 November 2019 or such other date as is agreed by Silver Chef and the Bidder.
Enforcement Action	under the Note Trust Deed, means: (a) taking action in relation to the enforcement of an Event of Default; (b) requiring Silver Chef to take action in relation to an Event of Default, including steps to remedy such Event of Default; (c) bringing a claim against Silver Chef in relation to an Event of Default; (d) entering into any agreement or arrangement with Silver Chef in relation to an Event of Default; or (e) petitioning, applying or voting for, or taking any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganisation of Silver Chef.

Term	Meaning
Event of Default	has the meaning given in Section 4.6(f).
Exclusivity Period	the period from and including 3 July 2019 to the earlier of: (a) the termination of the Scheme Implementation Agreement in accordance with its terms; and (b) the End Date.
Facility B	means the term loan facility of that name made available to Silver Chef under the Syndicated Debt Facility.
Financial Assistance Resolution	the resolution to be put to a general meeting of Silver Chef Shareholders under sections 260A(1)(b) and 260B of the Corporations Act in respect of financial assistance to be provided by Silver Chef in accordance with the Scheme.
FIRB	Foreign Investment Review Board.
FIRB Act	the Foreign Acquisitions and Takeovers Act 1975 (Cth).
First Court Date	the first day on which an application made to the Court for orders under section 411(1) of the Corporations Act convening the Scheme Meetings is heard.
Founder Shareholder	(a) Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust; (b) Mr Allan John English & Mrs Tessa Winifred English as trustees for The Tessana Superannuation Fund; and (c) English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation.
Founder Shareholder Scheme Meeting	The meeting of Founder Shareholders who have made a valid election to retain all of their Silver Chef Shares in lieu of receiving the Scheme Consideration convened by the Court under section 411(1) of the Corporations Act.
General Meeting	the general meeting of Silver Chef Shareholders to consider, and, if thought fit, to approve the Financial Assistance Resolution.
GoGetta Business	the equipment and asset funding and rental business known as “GoGetta” operated by GoGetta Equipment Financing Pty Ltd (ACN 124 102 647).
GoGetta Run Off Amount	the amount calculated in accordance with clause 11.2 of the Note Trust Deed.
GST	Australian Goods and Services Tax.
Implementation Date	the fifth Business Day after the Record Date, currently anticipated to be 25 September 2019, or such other date as is agreed to in writing between Silver Chef and the Bidder.
Independent Assessor	an independent assessor appointed by Silver Chef who has appropriate experience and qualifications to conduct the verifications required under the Note Trust Deed.
Independent Directors	All of the Silver Chef Directors, other than Allan English.
Independent Expert	Ernst & Young Transaction Advisory Services Limited (ACN 003 599 844).
Independent Expert’s Report	the report in respect of the Scheme prepared and issued by the Independent Expert for inclusion in the Scheme Booklet (or any update or variation to that report) and which is contained in Attachment A.
Ineligible Foreign Shareholder	a Scheme Shareholder (other than an Electing Founder Shareholder) whose address shown in the Silver Chef Share Register is a place outside of Australia and its external territories and New Zealand unless Silver Chef determines that it is lawful and not unduly onerous or impractical to issue to that Scheme Shareholder with Contingent Value Notes.
Key Employee	any employee of a member of the Silver Chef Group who earns an annual salary of \$200,000 or more.
Last Practicable Date	26 July 2019, being three clear Business Days prior to the First Court Date.
Listing Rules	the official listing rules of ASX.
Material Adverse Effect	has the meaning given in the Scheme Implementation Agreement.
Next Capital	Next Capital Pty Ltd (ACN 111 963 583).
Next Capital Co-investment Trust A	Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-investment Trust.

Term	Meaning
Next Capital Co-investment Trust B	Next Capital (Services B) Pty Limited (ACN 117 027 853) as trustee for Apollo Co-investment Trust B.
Next Capital Co-investment Trusts	each of: (a) Next Capital Co-investment Trust A; and (b) Next Capital Co-investment Trust B.
Next Capital Funds	each of: (a) Next Capital Trust IVA; (b) Next Capital Trust IVC; and (c) Next Capital Trust IVD2.
Next Capital Trust IVA	Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA.
Next Capital Trust IVC	Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC.
Next Capital Trust IVD2	Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2.
Noteholder	in relation to a Contingent Value Note, means, at any time, the person whose name is entered into the Notes Register as the holder of that Contingent Value Note.
Notes Register	the register of persons who hold Contingent Value Notes required to be kept and updated by or on behalf of Silver Chef in accordance with the Corporations Act.
Note Trust Deed	the deed dated 19 July 2019 entered into between Silver Chef, and the Note Trustee in the form of Attachment D to this Scheme Booklet.
Note Trustee	Melbourne Securities Corporation Limited ABN 57 160 326 545.
Notice of General Meeting	the notice relating to the General Meeting to be held on 6 September 2019 which is contained in Attachment F.
Notices of Scheme Meetings	the notices relating to the Scheme Meetings to be held on 6 September 2019 which are contained in Attachment E.
Proxy Form	a proxy form for the General Meeting and Scheme Meeting which accompanies this Scheme Booklet or which is available from the Share Registry allowing eligible Silver Chef Shareholders to vote directly or to appoint up to two proxies.
Record Date	5.00pm on the fifth Business Day following the Effective Date, currently anticipated to be 18 September 2019, or such other date as Silver Chef and Bidder agree.
Redemption Amount	the amount payable by Silver Chef to redeem a Contingent Value Note (rounded to the nearest cent), determined in accordance with the Note Trust Deed.
Redemption Determination Notice	means the notice given by the Independent Assessor to the Note Issuer substantially in the form of Schedule 4 of the Note Trust Deed which sets out the Redemption Amount.
Regulatory Authority	includes, in any jurisdiction: (a) a government or governmental, semi-governmental or judicial entity or authority; (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and (c) any regulatory organisation established under statute, and includes ASX, ACCC, ASIC, FIRB, the Takeovers Panel and APRA.
Related Body Corporate	has the meaning given in section 50 of the Corporations Act.
Relevant Interest	has the meaning given in sections 608 and 609 of the Corporations Act.

Term	Meaning
Representative	in relation to an entity, means: (a) a Related Body Corporate; (b) a director, officer or employee of the party or any of the party's Related Bodies Corporate; or (c) a financier or an adviser to the party or any of the party's Related Bodies Corporate, where an "adviser" means, in relation to an entity, financial adviser, corporate adviser, legal adviser, or technical or other expert adviser or consultant who provides advisory services in a professional capacity and who has been engaged by that entity in that capacity in connection with the Transaction.
Requisite Majority	in relation to: (a) the Scheme Resolution, a majority in number (more than 50%) of Silver Chef Shareholders present and voting at the applicable Scheme Meeting and at least 75% of the total number of votes cast on the Scheme Resolution by Silver Chef Shareholders present and voting at the applicable Scheme Meeting; and (b) the Financial Assistance Resolution, at least 75% of the total number of votes cast on the Financial Assistance Resolution by the Silver Chef Shareholders present and voting at the General Meeting.
Respective Proportion	means, in relation to the Bidder, the following proportions: (a) Next Capital Trust IVA: 20.3%; (b) Next Capital Trust IVC: 13.5%; (c) Next Capital Trust IVD2: 10.5%; (d) Next Capital Co-investment Trust A: 24.1%; and (e) Next Capital Co-investment Trust B: 31.6%.
Retained Shares	means, in respect of Founder Shareholders who have made a valid Election, the Silver Chef Shares to be retained by those Founder Shareholders in lieu of receiving the Scheme Consideration for their Scheme Shares.
Scheme	the scheme of arrangement under Part 5.1 of the Corporations Act between Silver Chef and the Scheme Shareholders, the form of which is attached as Attachment C, subject to any alterations or conditions made or required by the Court under subsection 411(6) of the Corporations Act and agreed to by Silver Chef and the Bidder.
Scheme Booklet	this booklet, including the attachments to it.
Scheme Consideration	For a Scheme Shareholder (other than any Electing Founder Shareholder): (a) Cash Scheme Consideration of \$0.70; and (b) one Contingent Value Note, for each Scheme Share. Ineligible Foreign Shareholders will not be issued any Contingent Value Notes and will instead receive the Redemption Amount under the Contingent Value Notes (if any) in accordance with the terms of the Note Trust Deed.
Scheme Implementation Agreement	the Scheme Implementation Agreement between Silver Chef and the Bidder dated 3 July 2019, a copy of which is attached to Silver Chef's ASX announcement of that same date available at www.asx.com.au .
Scheme Meetings	the Founder Shareholder Scheme Meeting or the Silver Chef Scheme Meeting, or both of them, as the context requires.
Scheme Resolution	the resolution set out in the Notices of Scheme Meetings to approve the terms of the Scheme.
Scheme Shareholder	a person registered as a Silver Chef Shareholder at the Record Date.
Scheme Shares	all Silver Chef Shares held by the Scheme Shareholders as at the Record Date, excluding the Retained Shares.
Second Court Date	the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme, with such hearing being the Second Court Hearing.

Term	Meaning
Securitisation Warehouse Facility	warehouse facility used by the Silver Chef Group for funding the origination and holding of loans pursuant to the 'Transaction Documents' as defined in the document entitled 'SIV Securitisation Trusts – Master Definitions Deed' dated 1 December 2017.
Share Registry	Boardroom Pty Limited (ACN 003 209 836).
Shareholders' Deed	a shareholders' deed which will be entered into following Implementation of the Scheme in relation to the affairs of Silver Chef.
Silver Chef	Silver Chef Limited (ACN 011 045 828).
Silver Chef Board or Board	the board of directors of Silver Chef and a Silver Chef Board Member means any director of Silver Chef comprising part of Silver Chef Board.
Silver Chef Group	Silver Chef and each of its Subsidiaries, and a reference to a Silver Chef Group Member is to Silver Chef or any of its Subsidiaries.
Silver Chef Scheme Meeting	The meeting of Silver Chef Shareholders (other than Founder Shareholders who have made a valid election to retain their Silver Chef Shares) convened by the Court under section 411(1) of the Corporations Act.
Silver Chef Share	a fully paid ordinary share in the capital of Silver Chef.
Silver Chef Shareholder	a person holding one or more Silver Chef Shares.
Silver Chef Share Register	the register of members of Silver Chef maintained by the Share Registry in accordance with the Corporations Act.
Superior Proposal	a bona fide Competing Transaction which the Independent Directors, acting in good faith, and after taking advice from its legal and financial advisers, determines: (a) would, if completed substantially in accordance with its terms, result in an acquisition of an interest or Relevant Interest in 20% of the Silver Chef Shares; (b) is reasonably capable of being valued and completed within 4 months, taking into account all aspects of the Competing Transaction, including its conditions, the identity, reputation and financial condition of the person making the proposal, and legal, regulatory and financial matters; and (c) is of a higher financial value and would, if completed substantially in accordance with its terms, be more favourable to Silver Chef Shareholders than the Scheme viewed in aggregate, taking into account all terms and conditions of the Competing Transaction (including the consideration, conditionality, funding, certainty and timing).
Syndicated Debt Facility	debt facility provided to the Silver Chef Group by a syndicate of lenders pursuant to a Syndicated Facility Agreement originally dated 7 August 2015.
Target Credit Facilities	each of the debt facilities used by the Silver Chef Group, including the Syndicated Debt Facility and Securitisation Warehouse Facility.
Target Prescribed Event	has the meaning given in the Scheme Implementation Agreement.
Target SFA	has the meaning given in the Scheme Implementation Agreement.
Target SFA Finance Document	has the meaning given in the Scheme Implementation Agreement.
Target SFA Waiver	has the meaning given in the Scheme Implementation Agreement.
Target SFA Waiver Letter	has the meaning given in the Scheme Implementation Agreement.
Target Warehouse Agreements	has the meaning given in the Scheme Implementation Agreement.
Target Warehouse Agreements Waiver	has the meaning given in the Scheme Implementation Agreement.
Target Warehouse Agreements Waiver Letter	has the meaning given in the Scheme Implementation Agreement.
Transaction	the acquisition by the Bidder of all Scheme Shares through the implementation of the Scheme.
Treasurer	the Treasurer of Australia.

10.2 Interpretation

In this Scheme Booklet, unless the context otherwise appears:

- (a) words and phrases have the same meaning (if any) given to them in the Corporations Act;
- (b) words importing a gender include any gender;
- (c) words importing the singular include the plural and vice versa;
- (d) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa;
- (e) a reference to a Section or attachment is a reference to a section of and an attachment to this Scheme Booklet as relevant;
- (f) a reference to any statute, regulation, proclamation, ordinance or by law includes all statutes, regulations, proclamations, ordinances, or by laws amending, varying, consolidating or replacing it and a reference to a statute includes all regulations, proclamations, ordinances and by laws issued under that statute;
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Scheme Booklet;
- (h) a reference to time is a reference to Australian Eastern Standard Time (AEST);
- (i) a reference to writing includes facsimile transmissions; and
- (j) a reference to dollars, \$, A\$, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia.



Attachments

Attachments	
A: Independent Expert's Report	86
B: Deed Poll	161
C: Scheme of Arrangement	173
D: Note Trust Deed	196
E: Notices of Scheme Meetings	248
F: Notice of General Meeting	254

Attachment A

Independent Expert's Report



Independent Expert's Report and Financial Services Guide

In relation to the proposed Scheme of Arrangement between
Silver Chef Limited and the Next Capital Consortium

30 July 2019



Building a better
working world

Part 1 – Independent Expert’s Report

The Directors
Silver Chef Limited
Park Tower
20 Pidgeon Close,
West End QLD, 4101

30 July 2019

Dear Directors

Proposed Scheme of Arrangement between Silver Chef Limited and the Next Capital Consortium

Background

On 3 July 2019, Silver Chef Limited (“Silver Chef” or the “Company”) announced that they had entered into a Scheme Implementation Agreement with a consortium of investors investing under the leadership of Next Capital Pty Limited (“Bidder” or the “Next Capital Consortium”). Next Capital is an Australian private equity firm, specialising in providing buy-out funding for small to medium sized growth businesses. The consortium is comprised of investment vehicles affiliated with Next Capital and a number of co-investors that are investing through co-investment vehicles. The Next Capital Consortium intends to acquire all of the issued shares in Silver Chef other than those shares held by Founder Shareholders, being those entities associated with Mr Allan English, the current Chairman of the Silver Chef Board which elect to retain their shares, via a scheme of arrangement (the “Proposed Scheme”).

Under the Proposed Scheme, the Scheme Consideration offered, includes:

- ▶ Scheme Shareholders (other than Founder Shareholders who elect to retain their shares) (“Scheme Shareholders”) will receive \$0.70 in cash for every Silver Chef Share held (“Cash Scheme Consideration”) plus one Contingent Value Note which represents an opportunity to share in the potential upside in the run-off of the GoGetta business (“Contingent Value Note” or “CVN”) should the net proceeds exceed \$10 million, for every Silver Chef share held (together the “Scheme Consideration”);
- ▶ Founder Shareholders may elect to retain their Silver Chef Shares (“Retained Shares”) and will not receive the Scheme Consideration. The Founder Shareholders are entities associated with Mr Allan English, the current Chairman of the Silver Chef Board (“Founder Shareholders”). No other Silver Chef Shareholder can become a Founder Shareholder for the purposes of the Proposed Scheme, regardless of the number of Silver Chef Shares they hold on the Record Date. The Founder Shareholders’ shares are held in the following entities (together the “Founder Shares”):
 - a. Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust;
 - b. Mr Allan John English & Mrs Tessa Winifred English as trustees for The Tessana Superannuation Fund; and
 - c. English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation.

In addition, immediately following implementation of the Proposed Scheme, the Next Capital Consortium will inject \$47.8 million through the issue of new shares at \$0.70 per share which will be used to repay \$35 million of the syndicated facility, transaction costs and for working capital requirements. Founder Shareholders, if they elect to retain their Silver Chef shares, will not participate in the capital raising and will be diluted to 8.25% (if Founder Shareholders elect to retain all of their shares) of the shares post the Proposed Scheme.

Attachment A

Independent Expert's Report



As the Scheme Shareholders and Founder Shareholders are treated as two separate classes of shareholders the Silver Chef Shareholders are to consider a resolution seeking approval of the Proposed Scheme at a general meeting of the Company that is to be held on or about 6 September 2019 and at the Silver Chef Scheme Meetings (separate for Scheme Shareholders and for Founder Shareholders) (together the "Scheme Meetings") to be held on the same day. If the Proposed Scheme is approved by both the Scheme Shareholders and Founder Shareholders and all of the other conditions precedent are satisfied or waived (if applicable), the acquisition of Silver Chef by the Next Capital Consortium will occur, and Silver Chef will no longer be listed on the Australian Securities Exchange ("ASX").

We recommend that Silver Chef Shareholders read the Scheme Booklet to obtain a full understanding of the Proposed Scheme.

Requirement for an independent expert's report

We understand that there is no regulatory requirement for an independent expert's report to be commissioned in relation to the Proposed Scheme. Notwithstanding this, the Directors of Silver Chef have engaged Ernst & Young Transaction Advisory Services Limited to prepare an independent expert's report in relation to the Proposed Scheme as if such a report was required under the *Corporations Regulations 2001* (the "Regulations").

Accordingly, we have prepared this independent expert's report to consider whether or not, in our opinion, the Proposed Scheme is in the best interests of Silver Chef Shareholders and setting out the reasons for that opinion. Our report is to be included in the Scheme Booklet being sent to Silver Chef Shareholders in respect of the Scheme Meetings.

Approach

Neither the *Corporations Act 2001* (the "Act") nor the Regulations define the term "in the best interests of". Australian Securities and Investments Commission ("ASIC") has issued Regulatory Guide 111: *Content of expert reports* ("RG 111") which provides guidance as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

A key matter under RG 111 that an expert needs to consider when determining the appropriate form of analysis is whether or not the effect of the transaction is comparable to a takeover offer and is therefore representative of a "control transaction". The Proposed Scheme is in effect a takeover offer for 100% (other than any Retained Shares) of the issued shares in Silver Chef. As such, the Proposed Scheme represents a control transaction.

In the circumstance of a scheme that achieves the same outcome as a takeover offer, RG 111 suggests that the form of the analysis undertaken by the independent expert should be substantially the same as for a takeover offer. Independent expert's reports required under the Act in the circumstance of a takeover are required to provide an opinion as to whether or not the takeover offer is "fair and reasonable". While there is no definition of "fair and reasonable", RG 111 provides some guidance as to how the term should be interpreted in a range of circumstances. With respect to a takeover offer:

- ▶ an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares"; and
- ▶ an offer is "reasonable" if it is fair. It might also be "reasonable" if, despite being "not fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 states that, in the case of a scheme, if an expert can conclude that an offer is "fair and reasonable" then they will be able to conclude that the scheme is in the "best interests" of shareholders. It also states that if the expert concludes that an offer is "not fair but reasonable" then it is still open to the expert to conclude that the scheme is in the "best interests" of shareholders.

RG 111 states that the comparison of the value of the consideration and the value of the securities subject to a takeover offer is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares".

Summary of opinion

Fairness and reasonableness of the Proposed Scheme

We have considered whether the Proposed Scheme is fair by comparing the assessed value of a Silver Chef Share, on a controlling basis, to the assessed value of the Scheme Consideration that will be received by Scheme Shareholders in the event that the Proposed Scheme is approved and implemented. We have adopted a sum-of-the-parts approach to value Silver Chef and our assessed range of values is set out in Section 6.

The table below presents a summary of the assessed value of a Silver Chef Share and the Scheme Consideration. It should be noted that the following analysis was performed based on information that was current as at 29 July 2019.

Evaluation of the fairness of the Proposed Scheme			
	Ref	Low	High
Cash consideration (\$/share)		0.70	0.70
Value of Contingent Value Notes (\$/share)	Section 6.9	0.03	0.06
Value of Scheme Consideration (\$/share)		0.73	0.76
Value of Silver Chef Shares on a controlling interest basis (\$/share)	Section 6.7	0.90	1.13
Scheme Consideration premium / (discount) to fair value		(18.2%)	(32.2%)

Source: Ernst & Young Transaction Advisory Services Limited analysis

The assessed value of a Silver Chef Share on a controlling basis is between \$0.90 and \$1.13 per share. The value of the Scheme Consideration is between \$0.73 and \$0.76 per share, on a fully diluted basis. As the range of Scheme Consideration is below the range of a Silver Chef Share on a controlling basis we consider the Proposed Scheme to be not fair.

To the extent that the Founder Shareholders elect to retain their shares in Silver Chef we consider this in the Other relevant factors section below.

We note the following in relation to our assessment of the value of Silver Chef:

- ▶ As at 31 December 2018, Silver Chef had recognised a deferred tax asset on its balance sheet of \$42.1 million of which approximately \$4.3 million related to carried forward tax losses for the period up to 30 June 2018 which was the latest available information as at the date of this report, with the remaining balance relating to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (i.e. higher annual depreciation for accounting purposes than for tax). In addition, we understand that Silver Chef has incurred additional tax losses since this date. We have not attached any separate value to these carried forward tax losses or other components of the deferred tax assets for the purposes of our assessment as substantially all of the carried forward tax losses reported as at the date of this report and the majority of the deferred tax assets relating to timing differences were considered in our fair valuation of the GoGetta business where it has been assumed that no tax will become payable as part of the run-off.
- ▶ Further, we understand that Silver Chef has a franking credit account balance of \$29.4 million as at 30 June 2018. This would result in an additional value to certain acquirers, however, we have not included the value of these franking credits in our fair value considering the uncertainty around future quantum and timing of franking credit utilisation and also the ability of shareholders to utilise the franking credits.

Attachment A

Independent Expert's Report



RG 111 provides that “an offer is reasonable if it is fair. It might also be reasonable if, despite being not fair, the expert believes that there are sufficient reasons for shareholders to accept the offer in the absence of any higher bid before the close of the offer.”

As the Scheme Consideration and the fair value of the retained Founder Shares is below the range of assessed values of a Silver Chef Share, we consider the Proposed Scheme to be not fair. Under the guidance provided by RG 111, as we are not able to conclude that the terms of the Proposed Scheme are fair we must consider if the terms of the proposed scheme are reasonable and in the best interests of Silver Chef Shareholders.

In assessing whether or not the Proposed Scheme is reasonable, we have had regard to the commercial and qualitative factors set out in Section 7.4 and other factors in Section 7.5. While individual shareholders may interpret these factors differently depending on their own individual circumstances, in our opinion the potential advantages outweigh the potential disadvantages to the Silver Chef Shareholders as a whole. Listed below is a summary of these key factors. Silver Chef Shareholders should refer to Section 7 for further explanation.

Advantages

Financial position of Silver Chef and limited options available to the Company

Silver Chef has been in breach of its debt covenants over an extended period since July 2018 and has been operating throughout this period with the support from its financiers. Silver Chef sought and received waivers in relation to the debt covenant breach until 30 April 2019 which was conditional on the successful raising of a minimum capital requirement of \$45 million to repay the Syndicated Facility (“SF”) and ensure that the net debt to net rental asset ratio under the SF was no greater than 65% by 30 April 2019. A condition of the waiver was that Silver Chef fund its growth via operating cash flows and cash reserves during the waiver period which had a material impact on 1H19 results and is expected to continue to have a material adverse impact on FY19 and the FY20 outlook.

Further, the Company required financier consent for distributions to be received from the Securitisation Warehouse Facility (“SWF”) and a further condition that all asset sell-ins to the SWF required SF lender consent. These SF and SWF conditions affected the near term financial outlook for the Company, and along with the reduction in share price, this has significantly increased the difficulty of raising the necessary capital required.

Silver Chef explored a number of options to recapitalise the Company and the initial preferred option was to seek offers for sub-debt and appointed Ironstone Capital to run the process. Silver Chef also engaged with several private equity firms about a potential take private option to recapitalise the Company on a basis agreed with Silver Chef's financiers. During this process the Silver Chef board appointed an independent board committee to consider take private and the sub-debt proposals. The committee did not include Mr Allan English given his substantial shareholding in the Company and the potential for a conflict of interest to arise in those decisions.

The above process resulted in Silver Chef entering into an Exclusivity Agreement with a preferred private equity partner and a preferred sub-debt party in January 2019. However, the sub-debt proposal lapsed as advised to the market on 23 May 2019. At this point, discussions around a potential capital raising continued but proved to be unfeasible.

On 11 April 2019 (“Initial Announcement Date”), Silver Chef announced that it had received an indicative, conditional, non-binding offer of \$1.00 per share and one Contingent Value Note from Next Capital (“Initial Announcement Offer”) who was undertaking due diligence under an Exclusivity Agreement. This Exclusivity Agreement was extended on several occasions as Next Capital and the Company's financiers continued their discussions in order to reach an agreement on terms of the recapitalisation.

On 2 July 2019, the Bidder revised its offer to \$0.70 per share and one Contingent Value Note per share post completion of its due diligence and negotiations with Silver Chef's financiers. This was announced to the market on 3 July 2019. This offer represents the result of extensive negotiations with the Bidder and Silver Chef's financiers and takes into account the future prospects of Silver Chef in a constrained funding environment and the urgent need to cure the covenant breaches to ensure the ongoing support of the Company's financiers.

Given the current financial situation of Silver Chef and the covenant breaches discussed above, the Proposed Scheme provides an ability for Silver Chef Shareholders to realise value, as in the absence of the Proposed Scheme, existing waivers would need to be further extended or waived, and there is no guarantee that the financiers would continue to be supportive.

Scheme Shareholders are receiving a premium to the price of Silver Chef Shares prior to the announcement of the Proposed Scheme

The Proposed Scheme provides the Scheme Shareholders with the opportunity to realise value for their shares in excess of the price at which they traded shortly prior to the Announcement Date on 2 July 2019. While we note that the value to be received is less than the Initial Announcement Offer of \$1.00 and trading prices prior to the Initial Announcement Date of 11 April 2019 (e.g. trading price prior to the Initial Announcement Date of \$0.86 and 30 day volume weighted average price ("VWAP") prior to the Initial Announcement Date of \$1.09), given the covenant breaches and capital constraints facing the Company which are discussed throughout the report there is no certainty that those earlier prices could be realised in the absence of the Proposed Scheme proceeding. In addition, in the absence of a transaction involving the acquisition of 100% of Silver Chef Shares, or a similar form of control transaction, Scheme Shareholders may be unable to realise a control premium above the minority interest value. Further, we note that Silver Chef remains in breach of its covenants in respect of its banking facilities as at the Announcement Date and future support from Silver Chef's financiers cannot be assured.

The table below sets out a comparison of our assessed value of the Scheme Consideration to the last traded price of Silver Chef Shares of \$0.31 per share on 2 July 2019, being the day prior to the Announcement Date, and the 30-day volume weighted average price ("VWAP") of \$0.42 per share prior to the Announcement Date.

Comparison of our assessed value of the Scheme Consideration with the traded share price of Silver Chef		
\$ per share	Low	High
Value of Scheme Consideration	0.73	0.76
Share price on 2 July 2019 (one day prior to the Announcement Date)	0.31	0.31
30 day VWAP (prior to the Announcement Date)	0.42	0.42
Premium/(discount) to the Silver Chef share price immediately prior to the announcement	137%	146%
Premium/(discount) to the Silver Chef 30 day VWAP prior to the announcement	75%	82%
Share price on 10 April 2019 (one day prior to the Initial Announcement Date)	0.86	0.86
30 day VWAP (prior to the Initial Announcement Date)	1.09	1.09
Premium/(discount) to the Silver Chef share price immediately prior to the Initial Announcement Date	(15%)	(11%)
Premium/(discount) to the Silver Chef 30 day VWAP prior to the Initial Announcement Date	(33%)	(30%)

Source: Ernst & Young Transaction Advisory Services Limited analysis

We have presented above an assessment of the premium implicit in the Scheme Consideration based on the relationship between the value of the Scheme Consideration at the date of this report to the trading prices of a Silver Chef Share prior to the announcement of the Proposed Scheme.

We note that the Scheme Consideration represents a premium of 137% to 146% compared to the share price immediately prior to the Announcement Date and a premium of 75% to 82% compared to Silver Chef's 30-day VWAP prior to the Announcement Date. We note that the share price of Silver Chef has been volatile in recent times principally due to the capital constrained position of Silver Chef and continued covenant breach. A comparison of the value of the Scheme Consideration with share prices prior to the Initial Announcement Date reflects a discount of 11% to 15% compared to Silver Chef's share price immediately prior to the Initial Announcement Date of \$0.86 per share and a discount of 30% to 33% compared to Silver Chef's 30-day VWAP prior to the Initial Announcement Date of \$1.09 per share.

Attachment A

Independent Expert's Report



Timing and value certainty of cash

The Scheme provides all Scheme Shareholders the opportunity to sell their shares for cash at a price which is substantially certain (other than the minor CVN) and at a premium to the trading price of Silver Chef Shares on the ASX prior to the Announcement Date.

No transaction costs

The Scheme provides Scheme Shareholders with the opportunity to sell their shares at a price which is substantially certain (other than the minor CVN) and free from transaction costs.

Alternative proposal

The independent directors of Silver Chef have advised that since the announcement of the Proposed Scheme, no superior proposal has emerged. As discussed in Section 2.2 of the Scheme Booklet, Silver Chef's board and management have considered and pursued a number of options, including an orderly run-down of the hospitality business which has significant execution risk, before arriving at the Proposed Scheme.

Disadvantages

Costs associated with the Proposed Scheme

In certain circumstances, Silver Chef may be obligated to pay a \$1.18 million break fee to Next Capital. These circumstances include:

- ▶ Silver Chef entering into a competing proposal or any Independent Director changing their recommendation or withdrawing an earlier recommendation; or
- ▶ if the Bidder validly terminates the Scheme Implementation Agreement for:
 - a Target Prescribed Event, Material Adverse Effect (to the extent caused by a deliberate act or omission of Silver Chef or a failure by Silver Chef to take reasonable steps to prevent the relevant matter);
 - change or withdrawal of recommendation by an Independent Director; or
 - a material breach by Silver Chef of the Scheme Implementation Agreement.

The circumstances in which a break fee is payable is set out in clause 11 of the Scheme Implementation Agreement.

Scheme Shareholders will no longer continue to participate in possible future increases in the value of Silver Chef

If the Proposed Scheme is implemented, Scheme Shareholders will no longer hold Silver Chef Shares and therefore will not participate in any future potential upside that may result from being a continuing Silver Chef Shareholder.

Other relevant factors

Position of the Founder Shareholders

Each Founder Shareholder under the terms of the Scheme Implementation Agreement may either:

- ▶ Not elect to retain their Silver Chef shares: In the event that these entities do not elect to retain their Silver Chef shares then they will participate in the Proposed Scheme on the same basis as the Scheme Shareholders; that is they will dispose of their shares and in return receive \$0.70 per Silver

Chef Share and one CVN per Silver Chef Share. Each Founder Shareholder must elect in respect of either all or none of its Silver Chef Shares however individual entities may make different elections.

- ▶ Elect to retain their Silver Chef shares: In the event that entities elect to retain their shares then their treatment under the Proposed Scheme will be different to other shareholders. They will continue to hold their existing Silver Chef Shares and will not receive the cash consideration or any CVN.

Founder Shareholders who validly elect to retain their shares will continue to hold their investment in Silver Chef however those shares will no longer be listed on the ASX and they will be investing alongside the Next Capital Consortium. It is estimated that these entities would own 22.60% of Silver Chef based on its current capital structure prior to the Proposed Scheme if all of the entities associated with Mr Allan English elected to retain their Silver Chef Shares. However, immediately following implementation of the Proposed Scheme the shares held by the Founder Shareholders will be diluted as part of the recapitalisation (discussed further below).

As remaining Founder Shareholders will continue to enjoy the benefits of ownership and bear the risks of ownership of Silver Chef Shares, their ultimate return will depend on the future performance of the Company, dividends that may be received in the future (if any) and the proceeds that they may receive when their Shares are ultimately sold.

In Section 6 we assessed the value of a Silver Chef share to be in the range of \$0.90 to \$1.13 on a control basis which exceeded the value of the Scheme Consideration of between \$0.73 and \$0.76. In effect this means that if the Proposed Scheme is approved and implemented, shareholders (other than Founder Shareholders who make a valid election to retain their shares) are disposing of their shares for less than our assessed fair value of those shares.

In contrast the Founder Shareholders who elect to retain their shares will continue to hold their Silver Chef shares in the Company that we have valued at the higher amount of \$0.90 to \$1.13 on a control basis. However, it is important to note that immediately following implementation of the Proposed Scheme the shares held by the Founder Shareholders will be diluted as part of the recapitalisation. The recapitalisation will raise \$47.8 million and will involve the issue of 68.3 million shares (in aggregate) to the Bidder Entities at a price of \$0.70 per share. The Founder Shareholders will not be able to participate in this initial equity issue resulting in Founder Shareholders being diluted from a maximum of 22.60% to 8.25% of the issued shares (as set out in Section 6.5 of the Scheme Booklet) with control in effect residing with the Next Capital Consortium. In addition, the shares will not be listed on the ASX and therefore will have reduced marketability compared to when they were listed on the ASX. We understand that under the Shareholders' Deed which will govern the rights and obligations of shareholders of Silver Chef following implementation, there is no compulsory buy-out rights of the Bidder entities. In addition, we understand that the compulsory acquisition rights under the Corporations Act will not have application post implementation of the Proposed Scheme. The key terms of the Shareholders' Deed are set out in 6.4 of the Scheme Booklet. These key terms of the Shareholders' Deed include:

- ▶ The Founder Shareholders may appoint 1 Director provided that the Founder Shareholders (in aggregate) hold more than 6.5% of the Shares on issue at that time.
- ▶ Shareholders holding at least 6.5% will have certain limited rights in respect to matters requiring "Special Shareholder Approval".
- ▶ Any new share issue during the 18-month period following implementation must be issued at an issue price of \$0.70 per share. Share issues (except for the initial equity injection and share issues under certain other circumstances) will be subject to a pre-emptive rights regime.
- ▶ No Shareholder may dispose of its securities without the approval of the majority shareholder (any shareholder (or shareholder group) who holds at least 51% of the Silver Chef shares) ("Majority Shareholder"), (to be granted in its absolute discretion), except for in certain circumstances.
- ▶ Minority shareholders have a right to tag along on sale if a Majority Shareholder sells more than 50% of its securities but the minority shareholder is only allowed to tag along on a proportionate basis.

Attachment A

Independent Expert's Report



- ▶ Majority Shareholders can drag minority Shareholders where the Majority Shareholder wish to sell more than 50% of its shares.
- ▶ Majority Shareholders can initiate an Exit Event (IPO, Share Sale, Business sale or winding up) following which all shareholders must take all steps to ensure such Exit Event is affected as soon as possible.
- ▶ A Shareholder may be required to sell their shareholding on certain events of default occurring.

We set out below the position of the Founder Shareholders under either the election or no election scenario before considering any discounts for lack of control or marketability which are discussed further below.

Position of the Founder Shareholders			
\$ million	Ref	Low	High
Fair value of equity	Section 6.7	35.2	44.2
Recapitalisation - Equity Injection	Section 7.5	47.8	47.8
Contingent Loan Note liability	Section 6.9	(1.3)	(2.5)
Fair value of equity - post recapitalisation		81.7	89.5
Number of shares on issue - Pre- recapitalisation (million)	Section 6.6	39.3	39.3
New Shares issued as part of recapitalisation (million)	Section 7.5	68.3	68.3
Number of shares on issue (million) - post recapitalisation		107.6	107.6
Fair value of a Silver Chef Share on a control basis (\$) post recapitalisation (pre-discounts)		0.76	0.83

Source: Ernst & Young Transaction Advisory Services Limited analysis

The above table sets out the value of the Founder Shareholders on a controlling basis if they elect to retain all of their shares in the Company. We note however, a controlling interest valuation generally implies a shareholding and rights of 51% or greater, and that the shares are marketable. However, as set out above, the Founder Shareholders post recapitalisation will be diluted to a maximum 8.25% interest in the equity of the Company (assuming all Founder Shareholders elect to retain their shares) and therefore would hold a minority interest in the Company with a number of limitations as part of the Shareholders' Deed discussed above. In particular, these include that the Founder Shareholders have no control over any exit, will hold shares in a private company, have the potential for further dilution if additional equity is contributed and the shares will be subject to a security interest by the financiers in some events as outlined in section 6.4 of the Scheme Booklet. All these factors indicate that the fair value of the Founder Shares would be materially lower than as indicated above.

Discount for lack of control and marketability

As set out in Section 6.3.2.2 we note that the average control premium on successful takeovers in Australia have been in the range of 20% to 40%. Based on the midpoint of the control premium range (i.e. 30%) this equates to a discount for lack of control of c.23%. Given that the Founder Shareholders would, if total Founder Shares exceed 6.5% of the shares on issue at that time, have the ability to appoint one Director, will have access to Company information and certain limited rights to block special resolutions, and as any exit would likely be on a controlling basis, we do not view it as appropriate to apply a full discount for lack of control. Further, given the rights and restrictions set out in the Shareholders' Deed a discount for lack of marketability would also apply. We explain discounts for lack of marketability and the factors that determine the applicability and quantum of any discount for lack of marketability in Section 7.5 of this Report.

Based on the factors relevant to discounts for lack of control and marketability, we view an appropriate combined discount range of 15% to 25% would be likely in arriving at the fair value of the Founder Shares (if they elect to retain their shares). This would indicate a fair value range as set out below.

Position of the Founder Shareholders			
	Ref	Low	High
Founder Shares fair value (post recapitalisation) - (\$ per share) (pre-discount)	Section 7.5	0.76	0.83
Discount for lack of control and lack of marketability		25.0%	15.0%
Founder Shares consideration if no election is made under Proposed Scheme (\$ per share)	Section 6.9	0.73	0.76
Founder Shares fair value (post recapitalisation) - (\$ per share) (post discount)		0.57	0.71
Minimum discount if elect to retain shares with consideration for lack of control and marketability		(22.3%)	(7.4%)

Source: Ernst & Young Transaction Advisory Services Limited analysis

As set out above, if the Founder Shareholders elect to retain all of their shares in the Company based on our analysis, the result may be 7.4% to 22.3% lower than if they do not elect and instead receive the Scheme Consideration.

If the Proposed Scheme is not approved the Silver Chef share price may fall below current trading levels

If the Proposed Scheme is not approved, and in the absence of an alternative transaction, Silver Chef will continue to operate in its current form and be listed on the ASX. Consequently:

- ▶ Scheme Shareholders will continue to own shares in Silver Chef but will not receive any Scheme Consideration.
- ▶ The advantages, disadvantages and risks of the proposal will not occur.
- ▶ There is a risk that the price of Silver Chef shares may fall back towards levels experienced prior to the offer from the Bidder, as the share price since then has arguably been reflective of some premium for control.

We note that Silver Chef remains in breach of its financing covenants. The continued support of financiers cannot be assured which may affect the future of the Company.

Tax consequences

There may be certain tax implications for holders of ordinary shares in Silver Chef ("Silver Chef Shareholders") in connection with the Proposed Scheme if it is approved and implemented. The exact nature and impact is uncertain and will depend upon the profile of each Silver Chef Shareholder. These specific consequences need to be borne in mind by each Silver Chef Shareholder in weighing up the merits of the Proposed Scheme.

Opinion

Based on the analysis summarised above and detailed throughout this report, in our opinion, the Proposed Scheme is not fair but reasonable to the Silver Chef Shareholders and in our opinion it is in the best interests of Silver Chef Shareholders.

Attachment A

Independent Expert's Report



Other matters

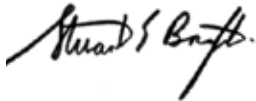
This independent expert's report has been prepared specifically for Silver Chef Shareholders. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young nor any employee thereof undertakes responsibility to any person, other than Silver Chef Shareholders, in respect of this report, including any errors or omissions howsoever caused.

This independent expert's report constitutes general financial product advice only and has been prepared without taking into consideration the individual circumstances of Silver Chef Shareholders. The decision as to whether to approve or not approve the Proposed Scheme is a matter for individual Silver Chef Shareholders. Silver Chef Shareholders should have regard to the Scheme Booklet prepared by the Directors and Management of Silver Chef. Silver Chef Shareholders who are in doubt as to the action they should take in relation to the Proposed Scheme should consult their own professional adviser.

Our opinion is made as at the date of this letter and reflects circumstances and conditions as at that date. This letter must be read in conjunction with the full independent expert's report as attached. All amounts are in Australian dollars ("A\$") unless otherwise stated.

Ernst & Young Transaction Advisory Services Limited has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included as Part 2 of this report.

Yours faithfully
Ernst & Young Transaction Advisory Services Limited

A handwritten signature in black ink, appearing to read 'Stuart Bright'.

Stuart Bright
Director and Representative

A handwritten signature in black ink, appearing to read 'Julie Wolstenholme'.

Julie Wolstenholme
Director and Representative

Contents

Part 1 – Independent Expert’s Report

1.	Introduction	13
1.1	Overview of the Proposed Scheme	13
1.2	Summary of Silver Chef	14
1.3	Impact on Silver Chef Shareholders	14
1.4	Conditions precedent	14
2.	Scope of the independent expert’s report	16
2.1	Purpose of the report	16
2.2	Basis of evaluation	16
2.3	Fair value	17
2.4	Independence	17
2.5	Limitations and reliance of scope	18
2.6	Shareholders’ decisions	19
3.	Industry overview	20
3.1	Hospitality commercial equipment industry	20
3.2	Product overview	21
3.3	Industry drivers	22
3.4	Competitive landscape	23
3.5	Industry outlook	24
4.	Overview	25
4.1	Description of Silver Chef	25
4.2	Background on business operations	26
4.3	Timeline of key events	31
4.4	Financial information	32
4.5	Capital structure	38
4.6	Major shareholders	38
4.7	Share price performance	39
5.	Valuation methodology and approach	42
5.1	Valuation methodology and approach	42
5.2	Valuation methodologies adopted	42
5.3	Valuation cross checks	43
5.4	Value of the Scheme Consideration	43
6.	Valuation of Silver Chef Shares	44
6.1	Summary of values	44
6.2	Valuation methodology	44
6.3	Valuation of Hospitality business	44
6.4	Valuation of GoGetta	49
6.5	Other assets and liabilities	50
6.6	Number of shares on issue	50
6.7	Conclusion on value	51
6.8	Valuation cross check	51
6.9	Value of Scheme Consideration	53
7.	Evaluation of the Proposed Scheme	55
7.1	Overview	55
7.2	Fairness	55
7.3	Reasonableness and best interests	56
7.4	Other considerations	56
7.5	Other relevant factors	59
7.6	Conclusion	62
Appendix A	Statement of qualifications and declarations	63
Appendix B	Valuation methodologies	64
Appendix C	Determination of discount rate	66
Appendix D	Comparable trading multiples	69
Appendix E	Transaction multiples	71
Appendix F	Sources of information	72
Appendix G	Glossary	73

Part 2 – Financial Services Guide

Attachment A

Independent Expert's Report



1. Introduction

1.1 Overview of the Proposed Scheme

On 3 July 2019 (the "Announcement Date"), Silver Chef Limited ("Silver Chef" or the "Company") announced that it had entered into a Scheme Implementation Agreement with:

- ▶ Next Capital Services IVA Pty Limited as trustee for Next Capital Trust IVA;
- ▶ Next Capital Services IVC Pty Limited as trustee for Next Capital Trust IVC;
- ▶ Next Capital Services IVD2 Pty Limited as trustee for Next Capital Trust IVD2;
- ▶ Next Capital (Services A) Pty Limited as trustee for the Apollo Co-investment Trust; and
- ▶ Next Capital (Services B) Pty Limited as trustee for Apollo Co-investment Trust B,

(together, "Bidder" or the "Next Capital Consortium") under which the Bidder intends to acquire all of the issued shares in Silver Chef ("Silver Chef Share") (except any Retained Shares) via a scheme of arrangement ("Proposed Scheme").

Under the Proposed Scheme, the Scheme Consideration offered, includes:

- ▶ Scheme Shareholders (other than Founder Shareholders who elect to retain the Retained Shares) ("Scheme Shareholders") will receive \$0.70 for every Silver Chef Share held ("Cash Scheme Consideration") plus one Contingent Value Note (together the "Scheme Consideration");
- ▶ Founder Shareholders may elect to retain their Silver Chef Shares ("Retained Shares") and will not receive the Scheme Consideration. The Founder Shareholders are entities associated with Mr Allan English, the current Chairman of the Silver Chef Board ("Founder Shareholders"). No other Silver Chef Shareholder can become a Founder Shareholder for the purposes of the Proposed Scheme, regardless of the number of Silver Chef Shares they hold on the Record Date. The Founder Shareholders shares are held in the following entities (together the "Founder Shares"):
 - a. Tessana Pty Ltd (ACN 008 938 618) as trustee for The A English Family Trust;
 - b. Mr Allan John English & Mrs Tessa Winifred English as trustees for The Tessana Superannuation Fund; and
 - c. English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation.

The Proposed Scheme comes after Silver Chef has been in breach of its debt covenants over an extended period since July 2018. Over this period, with the support from its financiers, the Company has looked at a number of options to recapitalise the Company. Throughout, the waivers in relation to the debt covenant breach were conditional on the successful raising of a minimum capital requirement of \$45 million to repay the Syndicated Facility ("SF") and ensure that the net debt to net rental asset ratio under the SF was no greater than 65%. Initially the preferred option was to seek offers for subordinated debt, however, as this proved challenging, Silver Chef also engaged with several private equity firms about a potential take private option to recapitalise the Company on a basis agreed with Silver Chef's financiers. This eventually led to the Proposed Scheme.

The issue of Contingent Value Notes by Silver Chef will constitute 'financial assistance' for the purposes of Part 2J.3 of the *Corporations Act 2001* (Cth) ("Corporations Act"), given that the Contingent Value Notes form part of the consideration to acquire the Silver Chef Shares (except the Retained Shares). Refer Section 2 of the Scheme Booklet for further information on the financial assistance resolution.

The Silver Chef board appointed an independent board committee, comprising the Silver Chef directors excluding Mr Allan English ("Independent Directors") to consider the Proposed Scheme.

Silver Chef Shareholders are to consider a resolution seeking approval of the Proposed Scheme at the Scheme Meetings of the Company that are to be held on or about 6 September 2019.

The Bidder's intentions if the Proposed Scheme is implemented as well as the latest information in relation to the equity injection by the Bidders is set out in Section 6.5 of the Scheme Booklet.

1.2 Summary of Silver Chef

Silver Chef is an Australian company involved in the financing of commercial hospitality equipment that listed on the Australian Securities Exchange ("ASX") in 2005 after being established in 1986 by Non-Executive Chairman Allan English. Silver Chef is Australia's only dedicated hospitality equipment funding solution having assisted more than 35,000 customers since commencing operations.

Silver Chef is listed on the ASX, and has a market capitalisation of around \$12.2 million¹. Twelve months prior to the Announcement Date it had a market capitalisation of \$152.8 million with the decline largely attributable to financial issues (covenant breaches) and due to the performance of the GoGetta business and subsequent announcement that the GoGetta business would cease and its portfolio would be run off.

Next Capital is an Australian private equity firm, specialising in providing buy-out funding for small to medium sized growth businesses, typically valued between \$50 million and \$200 million.

1.3 Impact on Silver Chef Shareholders

If the Proposed Scheme is approved and implemented, Scheme Shareholders (other than the Founder Shareholders who elect to retain their Silver Chef Shares) will receive \$0.70 cash and one Contingent Value Note per ordinary share held in Silver Chef. Silver Chef will become wholly owned by the Bidder and Founder Shareholders (who elect to retain shares) and will be de-listed from the ASX. In addition, immediately following implementation the Next Capital Consortium will inject \$47.8 million through the issue of new shares at \$0.70 per share which will be used to repay \$35 million of the syndicated facility, transaction costs and for working capital requirements. Founder Shareholders, if they elect to retain their Silver Chef shares, will not participate in the capital raising and will be diluted to 8.25% (if Founder Shareholders elect to retain all of their shares) of the shares post the Proposed Scheme.

As at the Announcement Date, Silver Chef had 39,267,916 ordinary shares on issue. We understand that the Bidder does not hold any Silver Chef Shares at the date of this report.

1.4 Conditions precedent

Approval and implementation of the Proposed Scheme is subject to a number of conditions precedent (some of which, pursuant to the Scheme Implementation Agreement, may be waived by agreement between the Bidder and Silver Chef) including, amongst other matters:

- ▶ The independent expert concluding that the Proposed Scheme is in the best interests of Silver Chef Shareholders;
- ▶ Silver Chef Shareholders' approval of the Proposed Scheme;
- ▶ Silver Chef Shareholders' approval of the financial assistance resolution for the purposes of sections 260A(1)(b) and 260B of the Corporations Act;
- ▶ Approval of the Proposed Scheme by the Supreme Court of Queensland, or such other court of competent jurisdiction agreed between the Bidder and Silver Chef;
- ▶ The Bidder obtaining Foreign Investment Review Board approval without conditions or with conditions acceptable to Bidder;

¹ As at 2 July 2019, being the last trading day before the Announcement Date.

Attachment A

Independent Expert's Report



- ▶ Silver Chef and the Note Trustee (as defined in the Proposed Scheme) entering into the Note Trust Deed (as defined in the Scheme Implementation Agreement) and the Note Trustee receiving approval from ASIC to act as Note Trustee;
- ▶ Any approvals from ASIC and the ASX and each other regulatory authority (as agreed between Silver Chef and the Bidder) necessary to implement the Proposed Scheme being obtained;
- ▶ No other orders or restraints being issued by any regulatory authority or the Court imposing a legal restraint or prohibition preventing the Scheme;
- ▶ No Material Adverse Effect or Target Prescribed Event occurs as defined in the Scheme Implementation Agreement;
- ▶ The representations and warranties given by Silver Chef and the Bidder in the Scheme Implementation Agreement remaining true and correct in all material respects;
- ▶ No material enforcement action is announced or commenced by a regulatory authority against or involving Silver Chef or its subsidiaries ("Silver Chef Group"), which has or is likely to have an adverse financial impact on Silver Chef's consolidated net assets of \$9.8 million or profit before tax of at least \$1.4 million (excluding the ASIC Investigation);
- ▶ No default under Silver Chef's credit facilities or circumstances occurring which results in the waivers received from financiers being revoked or ceasing to apply, or which results in or gives rise to a default under the Silver Chef's credit facilities, which are not waived or remedied within 10 business days, provided that any waiver must be on terms acceptable to the Bidder; and
- ▶ No prosecution, litigation or other proceeding by ASIC against a Silver Chef Group member occurring in respect of the ASIC investigation (as defined in the Scheme Implementation Agreement), where the losses are (or are reasonably likely to be) for an aggregate amount of \$10 million or more.

We note that a break fee of approximately \$1.18 million may be payable by Silver Chef to the Bidder in certain circumstances, including Silver Chef entering into a competing proposal or any Independent Director changing their recommendation or withdrawing an earlier recommendation, or if the Bidder validly terminates the Scheme Implementation Agreement for a Target Prescribed Event, Material Adverse Effect (to the extent caused by a deliberate act or omission of Silver Chef or a failure by Silver Chef to take reasonable steps to prevent the relevant matter), change or withdrawal of recommendation by an Independent Director or a material breach by Silver Chef of the Scheme Implementation Agreement. The circumstances in which a break fee is payable is set out in clause 11 of the Scheme Implementation Agreement.

A description of the conditions precedent to the Proposed Scheme is included in Section 3 of the Scheme Booklet.

2. Scope of the independent expert's report

2.1 Purpose of the report

The proposed acquisition of Silver Chef by the Bidder is to be implemented by way of the Proposed Scheme being conducted under the provisions of Section 411 of the Act. If approved by Silver Chef Shareholders, the Proposed Scheme will then be subject to approval by the Supreme Court of Queensland.

Part 3 of Schedule 8 to the Corporations Regulations prescribes the information to be sent to security holders in relation to schemes of arrangement pursuant to Section 411. Part 3 of Schedule 8 requires an independent expert's report in relation to a scheme of arrangement to be prepared when a party to a scheme of arrangement holds at least 30% of the company subject to the scheme, or if the parties have a common director. In those circumstances, the documents to be sent to shareholders must be accompanied by a report prepared by an independent expert in which that entity provides an opinion as to whether or not the Proposed Scheme is in the best interests of shareholders subject to the scheme and set out the reasons for that opinion.

The Bidder currently does not hold any Silver Chef Shares, and there are no common directors. As such, an independent expert's report is not specifically required in relation to the Proposed Scheme. Notwithstanding this, the Directors of Silver Chef have engaged us to prepare an independent expert's report setting out whether or not, in our opinion, the Proposed Scheme is in the best interests of Silver Chef Shareholders and the reasons for that opinion. Our report will accompany the Scheme Booklet to be sent to Silver Chef Shareholders.

2.2 Basis of evaluation

There is no legal definition of the term "in the best interests of" in the Act or the Regulations. However, ASIC has issued Regulatory Guide 111: *Content of expert reports* ("RG 111") which provides guidance as to what matters an independent expert should consider when determining whether or not a particular transaction is in the best interests of shareholders.

Importantly, RG 111 differentiates between the analysis required for control transactions and other transactions. In the context of a control transaction, where the transaction has a similar effect on the company's shareholding as a takeover bid then the transaction should be analysed as if it were a takeover bid. With respect to a takeover offer:

- ▶ an offer is "fair" if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares"; and
- ▶ an offer is "reasonable" if it is fair. It might also be "reasonable" if, despite being "not fair", the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 states that, in the case of a scheme, if an expert can conclude that an offer is "fair and reasonable" then they will be able to conclude that the scheme is in the "best interests" of shareholders. It also states that if the expert concludes that an offer is "not fair but reasonable" then it is still open to the expert to conclude that the scheme is in the "best interests" of shareholders.

As the Proposed Scheme achieves the same outcome as a takeover bid, given the Bidder proposes to acquire the majority of the outstanding shares in Silver Chef (100% other than any Retained Shares), we have evaluated the Proposed Scheme as a control transaction.

RG 111 also provides that an independent expert should usually give a range of values for the securities that are the subject of the offer. If the value of the consideration offered falls within the range of values of the securities, the offer is considered to be fair.

Attachment A

Independent Expert's Report



We have therefore considered whether the Proposed Scheme is fair by comparing the estimated value of the Silver Chef Shares being given up, on a controlling interest basis, with the fair value of the Scheme Consideration. In assessing the value of a Silver Chef Share, we have assumed 100% ownership, which implicitly includes a control premium. The Proposed Scheme is considered fair if the value of the Scheme Consideration is equal to or greater than the range of values assessed for a Silver Chef Share. In considering whether the Proposed Scheme is reasonable, we also considered the following matters:

- ▶ the price at which Silver Chef Shares have recently traded on the ASX, and their liquidity;
- ▶ the premium that the Bidder is paying over the pre-announcement share price;
- ▶ the existence of alternatives to the Proposed Scheme and the consequences for Silver Chef Shareholders. This has particular relevance given the current financial issues affecting Silver Chef;
- ▶ the likelihood of a superior proposal being received;
- ▶ the position of the Founder Shareholders;
- ▶ the likely impact on Silver Chef's share price in the event that the Proposed Scheme is not approved; and
- ▶ other advantages and disadvantages that Silver Chef Shareholders should consider in assessing whether to approve the Proposed Scheme.

RG 111 states that the comparison of the value of the consideration and the value of the securities subject to a takeover offer is to be made assuming 100% ownership of the target and it is "inappropriate to apply a discount on the basis that the shares being acquired represent a minority or portfolio parcel of shares".

In undertaking our assessment of the Proposed Scheme, we have had regard to a number of references including ASIC Regulatory Guidelines, in particular, RG 111 and Regulatory Guide 112 *Independence of experts* ("RG 112"), and relevant market valuation guidelines and generally accepted practices in the preparation of expert reports. This report has also been prepared in accordance with APES 225 *Valuation Services* ("APES 225") issued by the Accounting Professional & Ethical Standards Board Limited in July 2008 (revised May 2012).

A glossary summarising the abbreviations we have used in this report is contained in Appendix G - *Glossary*.

2.3 Fair value

We have assessed the value of Silver Chef on a fair value basis. Fair value in this context is considered to be:

"the price at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer both acting at arm's length".

Fair value does not incorporate any special value. Special value is the additional value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

2.4 Independence

Prior to accepting this engagement, we considered our independence with respect to Silver Chef and the Bidder with reference to RG 112. In our opinion, we are independent of Silver Chef and the Bidder.

Ernst & Young Transaction Advisory Services Limited, Ernst & Young, and global affiliations, have not provided any services to Silver Chef or Next Capital in relation to the Proposed Scheme.

Ernst & Young has however previously provided professional services to both Silver Chef and the Bidder, and subsidiaries thereof. These services included the provision of tax and financial modelling advice in respect of matters not related to the Proposed Scheme.

2.5 Limitations and reliance of scope

We have considered a number of sources of information in preparing our report and arriving at our opinion. These sources of information are detailed in Appendix F – *Sources of information*.

The information provided to us for the preparation of our report has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the Proposed Scheme is in the best interests of Silver Chef Shareholders. We also held discussions with the management of Silver Chef (“Management”) in relation to the Proposed Scheme, as well as the operations, financial position and operating results of Silver Chef. However, we do not warrant that our enquiries have identified all of the matters that an audit, an extensive examination or tax investigation might disclose.

Preparation of this report does not imply that we have, in any way, audited the accounts or records of Silver Chef. It is understood that the accounting information that was provided was prepared in accordance with generally accepted accounting principles including the Australian equivalents to International Financial Reporting Standards and International Financial Reporting Standards, as applicable.

In forming our opinion, we have also assumed that:

- ▶ matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed
- ▶ the assessments by Silver Chef and its advisers with regard to legal, regulatory, tax and accounting matters relating to the transaction are complete and accurate
- ▶ the information set out in the Scheme Booklet and accompanying documents provided to Silver Chef Shareholders is complete, accurate and fairly presented in all material respects
- ▶ the publicly available information relied upon by us in our analysis was accurate and not misleading
- ▶ the Proposed Scheme will be implemented in accordance with its terms
- ▶ to the extent that there are legal issues relating to assets, properties, or business interests or issues relating to compliance with applicable laws, regulations and policies, we assume no responsibility and offer no legal opinion or interpretation on any issue.

The statements and opinions given in this independent expert’s report are given in good faith and in the belief that such statements and opinions are not false or misleading. This report should be read in the context of the full qualifications, limitations and consents set out in Appendix A – *Statement of qualifications and declarations* of this report.

Our assessment of the Proposed Scheme is based on economic, market and other conditions prevailing as at the date of this independent expert’s report. As evidenced in recent years these conditions can change significantly over relatively short periods of time. If they did change materially, subsequent to the date of this report, our opinion could be different.

We provided draft copies of this independent expert’s report to the Independent Directors and Management of Silver Chef for their comments as to factual accuracy, as opposed to opinions, which are the responsibility of us alone. Amendments made to this independent expert’s report as a result of this review by the Independent Directors and Management of Silver Chef have not changed the conclusions reached by us.

Attachment A

Independent Expert's Report



2.6 Shareholders' decisions

This independent expert's report constitutes general financial product advice only. In forming our opinion, we have considered the interests of Silver Chef Shareholders as a whole, and we have not considered, nor is it practical or possible to consider, the individual circumstances of each Silver Chef Shareholder. The decision to vote for or against the Proposed Scheme is a matter for individual shareholders. Silver Chef Shareholders should consider the advice in the context of their own circumstances, including investment objectives, liquidity preferences, risk profiles, tax position and expectations of future market conditions. Shareholders should also have regard to the Scheme Booklet prepared by the directors and Management of Silver Chef. Shareholders who are in doubt as to the action they should take in relation to the Proposed Scheme should consult their own professional adviser.

Similarly, it is a matter for individual shareholders as to whether to hold or sell shares in Silver Chef. This is an investment decision upon which we do not offer an opinion and is independent of a decision to vote for or against the Proposed Scheme. Shareholders should consult their own professional adviser in this regard.

Ernst & Young Transaction Advisory Services Limited has prepared a Financial Services Guide in accordance with the Act. The Financial Services Guide is included as Part 2 of this report.

3. Industry overview

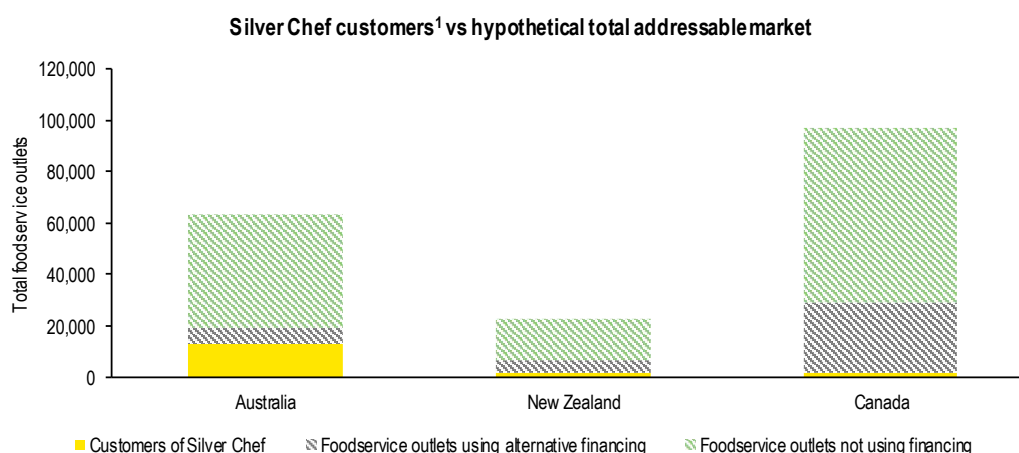
3.1 Hospitality commercial equipment industry

Silver Chef operates in the hospitality commercial equipment industry within Australia, New Zealand and Canada, specialising in the provision of equipment finance to small and medium sized enterprises. As a business to business operator within the industry, equipment dealers represent the major route to market and are largely reliant on building deep relationships with the equipment dealers to drive sales. The equipment dealer market is highly fragmented and saturated within Australia with approximately 800 to 1,000 individual dealers. Another channel to market has been through building relationships with individual companies within the industry including coffee roasters, pubs and clubs and franchises.

The hospitality commercial equipment industry is relatively niche as most competitors do not exclusively offer supply and / or finance to hospitality businesses. This in turn results in a diverse range of competitors and a unique opportunity within the industry for companies exclusively focused on financing hospitality commercial equipment. The scale of the foodservice industry within Australia emphasises this. There are approximately 62,000 commercial foodservice outlets and 22,000 institutional foodservice outlets in Australia, with the majority located along the East Coast. By total volume, preparation equipment, refrigeration equipment and cooking equipment reflect the majority of foodservice equipment by installed volume and market value².

Growth of the hospitality commercial equipment industry is driven by increases in the total number of foodservice outlets, the size of existing foodservice outlets and the proportion of foodservice outlets currently utilising an equipment rental or financing solution.

We present below a summarised illustration of Silver Chef's current market share and total addressable market, both relating to foodservice outlets currently using equipment financing with an alternative provider, and foodservice outlets not using any equipment financing. This reinforces the maturity of the Australian business, the significant growth opportunities in Canada (and New Zealand to a lesser extent) and that a transition of customers currently purchasing equipment outright to a financing solution will have a significant impact on all markets.



Source: 2018 full year investor presentation, Management

Notes:

1. The information related to the customers of Silver Chef and total foodservice outlets is presented in the 2018 full year investor presentation and is assumed to be current at 30 June 2018. Based on discussions with Management, we understand that approximately 70% of the Australian hospitality industry purchase equipment outright. Based on discussions with Management we have extrapolated this percentage over the New Zealand and Canadian markets to approximate the total foodservice outlets using alternative financing and in turn Silver Chef's market share. This is for illustrative purposes only as such information is not reliably available.

² Food Industry Foresight - The Australian Foodservice Market

Attachment A

Independent Expert's Report



3.2 Product overview

The industry provides rental or financing solutions to businesses and individuals allowing them to purchase or rent equipment without the need to make an upfront cash purchase. The equipment being rented or financed is generally held as collateral by the financier in the event that the counterparty is not able to meet their repayment obligations. The financier purchases / manufactures the equipment and is remunerated through regular rental payments, periodic / initiation fees and the sale of the equipment after the rental period, albeit generally at a significant discount. Asset financing is a popular way to obtain access to equipment and has the following benefits:

- ▶ Access to equipment: Many businesses and individuals do not have surplus cash or access to debt financing from which to purchase equipment. Asset financing provides an alternative pathway to obtaining access to this equipment.
- ▶ Ability to reinvest: Surplus cash that would have otherwise been used to fund the equipment is able to be reinvested into other assets / used to pay off liabilities. If the return / savings on this is greater than the asset financing interest and fees, an additional return may be achieved.
- ▶ Protection against technological changes: Technology, particularly relating to electronics and machinery, has historically and is expected to, evolve significantly. Whilst adoption of new technology can increase production and utilisation, outdated assets can be rendered uneconomic in relatively short timeframes. Asset financing minimises this risk as consumers are able to 'trade up' to the latest technology after their initial lease period finishes.
- ▶ Rent to buy: Conversely, in industries where technology evolution is not a large factor, many asset financing options provide a rent to buy option, allowing the customer to purchase the asset at a heavily discounted price after the initial lease period finishes.
- ▶ Other: Various other benefits including potential tax advantages.

3.3 Industry drivers

The key drivers of performance within the sector are described below:

- ▶ Cyclical: The hospitality equipment financing industry is heavily reliant on the success of the small and medium sized businesses that operate within the hospitality sector. These businesses, as with most that operate within the consumer discretionary sector, are in turn reliant on customer expenditure. The sector is therefore cyclical and exposed to changes in the level of disposable income. The sector benefits from the following sector attributes³:
 - GDP growth;
 - Increasing GDP per capita;
 - Increasing real household discretionary income;
 - Growing residential real estate and other asset prices;
 - Maintainable debt to asset ratios;
 - Increasing total numbers of households and businesses; and
 - Strong measures of business confidence.
- ▶ Counter-cyclical: The hospitality commercial equipment industry is also partially counter-cyclical. If the above factors are present (the economy is generally strong) a number of small and medium sized businesses may no longer require or see the benefit in asset financing and may instead choose to buy rather than lease equipment. Therefore, there is an element of upside to the industry at the opposite end of the business cycle where customers are not able to purchase equipment and instead prefer to lease equipment to assist in managing their cash flows. Lower industry wide cost of debt is also generally a feature of the bottom of the business cycle and will likely lead to improved margins and increased ability to offer discounts to retain customers. In saying this, financiers are exposed to increased counterparty risk and may require additional provisioning for bad debts and asset impairments / losses on the sale of prematurely returned assets. This is mitigated to an extent by the strength of the second-hand equipment market at the bottom of the business cycle that often results in strong demand for equipment that is returned prior to the lease expiring and is required to be sold.
- ▶ Other: Changes to consumer preferences and habits are an additional key driver to the industry that is not explicitly linked to a particular stage of the business cycle. Shifting consumer preferences can quickly change the hospitality landscape and may have significant positive or negative impacts for equipment financiers operating within the industry.

³ IBIS World (Furniture, Appliance and Equipment Rental in Australia)

Attachment A

Independent Expert's Report



3.4 Competitive landscape

Competition within the hospitality equipment finance industry is relatively high and has increased in recent years as competitors adapt to evolving customer preferences. Whilst there is no other directly comparable competitor to Silver Chef, the industry is highly fragmented and consists of many different types of competitors. Competition arises from both internal and external industry participants. Internal competition is largely driven by product differentiation and cost leadership as well as ease of accessibility. External competition is a significant threat to the industry as new entrants seek to establish themselves in the industry by offering their own financing products (either through a vertically integrated business model or use of a financial intermediary). Discounted rental terms including interest free periods are popular ways in which external competitors are able to enter the industry and gain market share. The different types of competitors within the hospitality equipment financing industry include:

- ▶ Specific hospitality industry focused financiers (Silver Chef).
- ▶ Non-Authorised Deposit-taking Institutions ("Non-ADIs") providing rental and financing solutions to the broader equipment industry.
- ▶ Authorised Deposit-taking Institutions ("ADIs") providing structured asset financing solutions across all industries.
- ▶ Dealers and manufacturers that are able to produce, market and finance equipment within a vertically integrated business model. This may also include the finance arm of multinational manufacturers.
- ▶ The most significant competitor within the industry is cash, reflecting customers making upfront purchases rather than opting to use a financing or rental solution.

The hospitality commercial equipment industry is competitive and there are a number of key success factors, including:

- ▶ Prompt delivery to market: The ability to deliver rental products quickly and reliably (i.e. with minimal waiting times) is likely to increase customer satisfaction levels, particularly for businesses that require the asset / equipment to increase productivity in the short term.
- ▶ Ability to carry out credit checks on clients: Strong internal credit and risk management procedures are critical in ensuring high quality counterparties and minimize the risk of bad debts, impairments and losses on assets that are recalled and often sold. This has become increasingly important after the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry and the resulting tightening of credit availability.
- ▶ Marketing of differentiated products: Offering unique products or building a significant market share in a specific industry.
- ▶ Cost leadership / discount periods: Offering the lowest prices or most attractive discounting of products.
- ▶ Having links with suppliers: Strong links to suppliers can facilitate prompt delivery to market and product differentiation and increase the quality of product offerings. Sole supply arrangements can be beneficial and give access to an entire segment of the market.
- ▶ Offering customers a range of payment options: A range of payment options including rent to buy products increases the flexibility offered to customers.

Further analysis of the competitive landscape within the geographies that Silver Chef operate in is presented below.

3.4.1 Australian market

Silver Chef has been the dominant player in the Australian hospitality equipment financing industry with a focus on shorter term products (such as Rent-Try-Buy ("RTB")) offered to commercial customers. FlexiGroup Limited historically have had a large exposure to the more structured financing products but have more recently been replaced by AxessToday Limited. A number of FinTech companies specialising in small business lending, such as Prospa Group Limited and OnDeck Capital have also signalled that they may enter the market. As discussed previously, an alternative to equipment / consumer financing companies is the upfront purchase of equipment with cash which is estimated to account for approximately 70%⁴ of the market.

3.4.2 New Zealand market

The New Zealand market exhibits a strong resemblance to Australia, albeit of a much smaller size. There is no major competitor in the hospitality equipment finance industry, although FlexiGroup Limited operate through their subsidiary FlexiGroup New Zealand with a focus on both consumer and commercial finance. The hospitality and catering dealer market within New Zealand is dominated by Southern Hospitality Ltd.

3.4.3 Canada market

In contrast, the Canadian market enjoys greater scale, being around double the size of the Australian market, and has fewer dealers than Australia, with an established dealer market around 600 dealers. Aside from the sale and number of participants, there are many similarities in the industry, intensity of competition and macroeconomic environment between Australia and Canada. Major competitors of Silver Chef in the Canadian market include EconoLease and Newcap Leasing both of which operates across the country as Hospitality equipment financiers / brokers.

3.5 Industry outlook

The commercial foodservice market experienced revenue growth of 8.8%⁵ (or total volume growth of 0.6%⁵) in 2018. Over the next 12 to 24 months market conditions are forecast to be mixed and dependent on foodservice channels, location and metro proximity. Whilst there is a continuing consumer trend towards casual dining this is not necessarily expected to be positive to operating conditions as consumers trade up and down their outlet preferences based on prevailing economic conditions.

However, into the longer term, further changes to consumer preferences and habits has the potential to materially impact the industry outlook. The way in which foodservice outlets operate has changed substantially in recent years, particularly as a result of the uptake in online food ordering and delivering platforms. Dark kitchens, which have no tables or wait staff and only prepare food for delivery services, are another example of an increasingly dynamic industry environment. Further changes are likely to lead to foodservice outlets requiring greater operational flexibility which may provide upside to asset financiers and commercial equipment providers that are able to capitalise on this opportunity.

Opportunities for growth in the hospitality commercial equipment industry include a targeted approach to meal segments such as breakfast and brunch, commercial foodservice channels and institutional foodservice channels such as aged care facilities. Challenges in the market included a downwards trends in commercial fit out spend, volatility in the broader hospitality / foodservice market and resistance from foodservice operators to purchase and / or replace premium equipment unless required.

⁴ Based on discussions with Management.

⁵ Food Industry Foresight - The Australian Foodservice Market

Attachment A

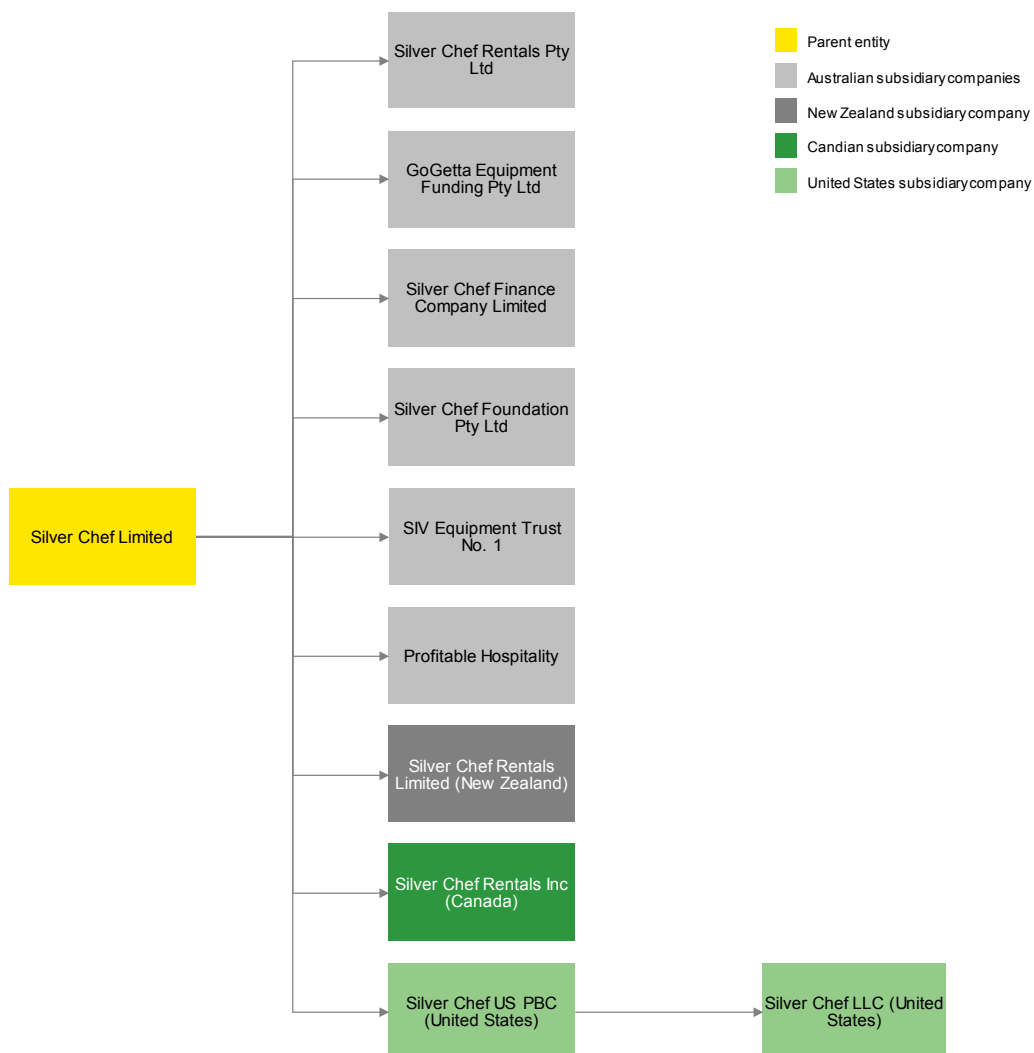
Independent Expert's Report



4. Overview

4.1 Description of Silver Chef

Silver Chef is an Australian commercial equipment renter and financier that listed on the ASX in 2005 after being established in 1986 by Non-Executive Chairman Allan English. Silver Chef began as an Australian hospitality equipment funding solution provider although it has since expanded its operations into New Zealand and Canada in recent years. The following chart summarises the current Silver Chef organisation structure.



Source: Silver Chef Limited and Controlled Entities corporate structure

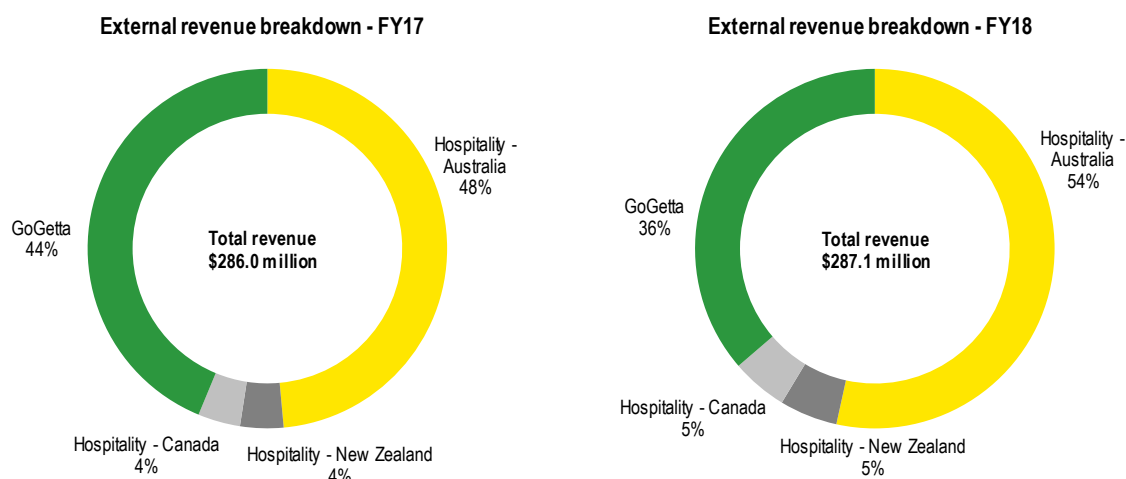
Prior to 26 February 2018, Silver Chef operated under two separate divisions: Hospitality (Silver Chef branded) and GoGetta. The Hospitality division provides flexible equipment funding solutions to small and medium sized businesses (domestic and international) within the hospitality sector, whilst GoGetta provided commercial equipment and financing solutions across a range of sectors, including transport, fitness, and light construction. Further detail on the business divisions is provided in Section 4.2.

On 26 February 2018, Silver Chef announced that, after undertaking a rigorous strategic review, the Company has decided to exit the GoGetta business through an orderly wind down and collection of its loan portfolio. This significant change in strategic focus was made based on an inability for the GoGetta business to achieve an acceptable return on assets in comparison with the Hospitality division. As at 31 December 2018, the run-off of the GoGetta book has continued to perform in line with expectations with impairments taken at 30 June 2018 largely protecting Silver Chef against the downside risk inherent towards the back end of a wind down process.

The remaining business has undergone a significant transformation and restructure to a one brand, one industry, global strategy. As part of the business model restructure, Silver Chef has committed to being solely focused on the hospitality industry and has highlighted North American expansion as a key pillar of future growth.

4.2 Background on business operations

As discussed previously, Silver Chef historically operated under two divisions: Hospitality and GoGetta. A breakdown of Silver Chef's FY17 and FY18 revenue is illustrated in the charts below. Whilst the revenue breakdown is fairly similar between the two periods, GoGetta is in run-off and will therefore represent a continually decreasing proportion before reducing to nil in approximately 24 months.



Source: Silver Chef FY18 Annual Report

Notes:

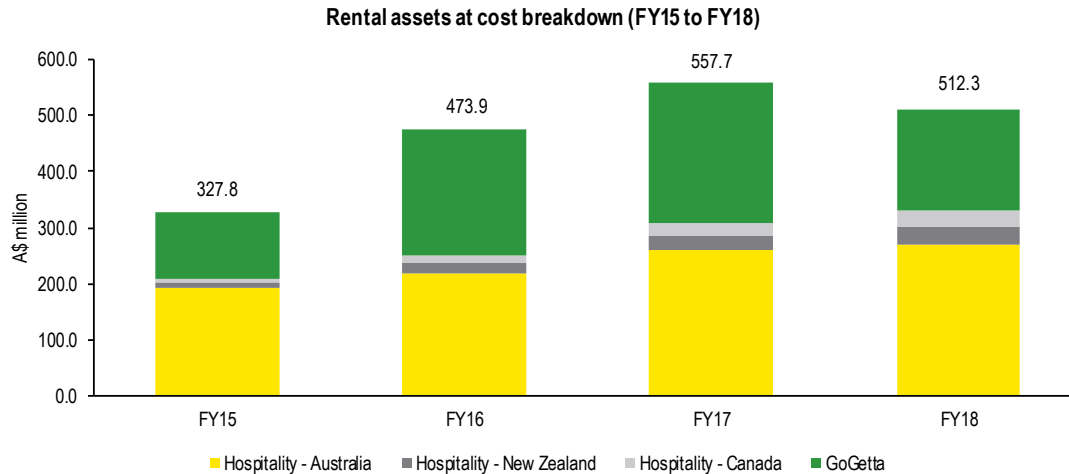
1. 'Unallocated revenue' has been included within the Hospitality – Australia division. This amounts to \$4.5 million in FY17 and \$5.6 million in FY18.
2. We have presented external revenue related to the GoGetta businesses, noting that this is in the process of an orderly wind down.

Attachment A

Independent Expert's Report



We also present a breakdown of Silver Chef's rental assets cost breakdown from FY 15 to FY18 below.



Source: Silver Chef FY18 Annual Report

Notes:

1. Rental assets at cost include capitalised upfront lease obligations.

4.2.1 Hospitality

The Hospitality division caters to small and medium sized domestic and international businesses, consisting of cafes, pubs, bars and restaurants (amongst others). The business model operates as follows:

- ▶ **Apply for funding:** Applications are made either via a preferred equipment dealer or directly through Silver Chef.
- ▶ **Choose your equipment:** Silver Chef partners with an extensive network of equipment dealers offering a range of hospitality capital equipment including coffee machines, ovens, refrigerators, large scale dishwashers and small hand-held appliances.
- ▶ **Get your equipment:** Once approved for financing the equipment dealer finalises the transaction and organises delivery. A minimum 6-week refundable security bond is required at this stage of the process.

12-month rental agreement: Silver Chef's proprietary RTB product is a 12-month rental agreement that allows customers to rent and trial the equipment before making a purchase. During this period customers are able to upgrade or add additional pieces of equipment as well as purchase the equipment receiving a net rental rebate on payments to date. At the end of the 12-month rental period, customers are able to lock into a discounted rental period with ownership of the equipment occurring at completion, continue to rent with no locked in agreement, return the piece of equipment or purchase the equipment.

4.2.1.1 Australia and New Zealand

Over the FY18 period, the total asset base at cost grew by 5.1% from \$158.0 million to \$166.0 million, which was below expectations. The poorer than expected result reflects in part, the distraction of the GoGetta wind down and restructure of the Australian business. Management has addressed this through a number of groupwide initiatives including a new global sales framework to enhance the hospitality sales discipline as well as the launch of the 'SCOAP' automated credit approval system.

In 1H FY19 there has been a deliberate slowdown of the Australia and New Zealand business due to capital constraints as Silver Chef works through its capital management plan. An upside from the half year result is the identification of cost base savings of approximately \$5.0 million per annum as part of the cost out program.

In comparison with its competitors, a key advantage of Silver Chef's Australian Hospitality business is the ability to repatriate equipment that is returned early or at the expiration of the lease term and re-lease this equipment within a short period of time. Silver Chef undertakes the required repair and maintenance work in its two warehouses within Australia. Further detail on activities undertaken to mitigate the risk of realising impairments and losses on the sale of repatriated equipment is presented in Section 4.2.4.

4.2.1.2 Canada

Silver Chef's Canadian Hospitality division has undertaken a recent restructure, including appointment of a new Executive General Manager and Vice-President of Sales and Operations. This restructure is designed to take advantage of the potential in the Canadian market, particularly in Eastern Canada (Ontario and Quebec). The Canadian business has also invested significantly in improving the sales distribution network and level of engagement with dealers, resulting in the strengthening of existing relationships with dealers as well as new dealer relationships. As at April 2019, the business had relationships with approximately half of the registered dealers, with the most significant accounts held with Nella Cutlery Toronto Inc. and Russel Hendrix Foodservice Equipment. Further, key strategic partnerships have been formed with Restaurants Canada and the Canadian Franchisee Association within the last twelve months.

The above resulted in strong growth during FY18, albeit below expectations, with flat originations and a 24.0% increase in the rental asset base to \$36.0 million. The 1H FY19 results were higher than 1H FY18 with originations up 52.0% year on year as a result of the improved Management focus and implementation of the initiatives outlined above.

Looking forward, the outlook for continued growth within the Canadian division is underpinned by Silver Chef's core growth strategies for the region:

- ▶ Maintaining organic growth by continuing to build out relationships within the dealer market, educating and implementing the online approval platform, increasing the usage and engagement of the dealer platform and continuing to leverage the sales and distribution network.
- ▶ Organic growth in the direct sales market by accelerating the brand awareness and knowledge of Silver Chef and leveraging the online approvals platform to further streamline and enhance the accessibility of Silver Chef's financing solution.

The resized Canadian operating cost base is expected by Management to further support growth over the short to medium term.

4.2.1.3 United States

Whilst Silver Chef does not currently have any operations within the United States we understand that Management are contemplating a targeted entry into certain jurisdictions via the coffee roasting / brewing channel network. This is likely to be a strategic growth ambition over the short to medium term, if and when access to additional capital becomes available.

4.2.2 GoGetta

GoGetta provided commercial equipment rental and financing solutions to small and medium sized domestic businesses across a range of sectors, with a particular focus on the transport, fitness, and light construction industries. Typical equipment rented through the GoGetta business included trucks, trailers, cars and earth moving equipment with the funding solution offered operating similarly to the Hospitality division. As discussed previously, Silver Chef is in the process of winding down the GoGetta business due to the inability to generate a similar level of return on assets to the Hospitality Division. At 1H FY19 the run off was continuing to perform in line with expectations with \$122.0 million of cash generated since commencement. As a result of the orderly run off, a book of customers with assets that are expected to continue paying rent, generating cash flows for the next 24 months and reducing the requirement for future capital.

Attachment A

Independent Expert's Report



4.2.3 Litigation

On 4 July 2018, in a shareholder update released to the ASX, Silver Chef advised the market that they had been working through an issue with ASIC. The issue relates to a number of light commercial contracts issued by the GoGetta business that are alleged to constitute consumer lending without the appropriate licence. The contracts relate to the purchase of sedans, wagons or SUVs originated through third party finance brokers. As at 31 December 2018, Silver Chef has provisioned \$5.8 million for remediation in line with current discussions and customer rental receipts during the period. We understand that this provisioning is current, and no changes have been made to the amount at the date of this Report. We have been advised that Silver Chef does not currently have any other outstanding litigation. The other assets and liabilities discussed in Section 6.5 takes into account this exposure.

4.2.4 Risk mitigation

Based on extensive discussions with Management, we understand that there is minimal risk relating to equipment that is returned early or after the initial twelve-month period, with approximately 80% of returned assets repatriated (where required) and rented out again on a new lease within a 60-day period. The largest contributors to the risk of receivables, losses and impairment of rental assets are bad debts. Specifically, if a bad debt arises, there is the risk that the outstanding lease payments will not be recovered and / or the stranded asset (the equipment related to a bad debt) is not able to be located or economically recovered (due to costs associated with decommissioning and transport, the equipment being damaged or the equipment being highly specialised and therefore having no active secondary market).

As a result of the risks highlighted above, during 2018, Silver Chef implemented the following new policies in order to de-risk the business and increase the quality of counterparties:

- ▶ **Bad debt ageing:** Once receivables reach an age of 90 days, revenue ceases to be recognised and the receivables are transferred to bad debts. At this stage the asset is deemed to be stranded and a recovery process is commenced.
- ▶ **Impairment:** Stranded assets are progressively impaired over a period between 90 days and 40 weeks, at which time they are deemed to be no longer recoverable (for accounting purposes) and written off completely. However, Silver Chef will still seek to recover these amounts from such customers to generate a commercial return. **Large counterparty contracts:** When a single entity exposure reaches \$0.5 million any further contracts require the approval of the senior Management team to ensure that exposures to single entities are mitigated and a more comprehensive credit quality assessment is undertaken.
- ▶ **Swift asset cap:** Swift assets are highly customized assets based on the individual needs and requirements of a particular customer and cannot easily be removed or redeployed. A swift asset cap of 30% of total assets per customer has been put in place to decrease the risk of losses on assets that are highly customised and as a result are not able to be resold at or above their written down value.

4.2.5 Transformation project

Silver Chef is in the process of executing a multi-year business transformation project aimed at returning the company to focus solely on the Hospitality business. Milestones achieved to date include:

- ▶ The implementation of the previously discussed risk mitigation framework, delivering improved bad debt and impairment metrics.
- ▶ The initiation of the cost out program to reset and right size the cost base of the business, expected to realise \$5.0 million in cost savings per year:
 - Operational cost savings primarily related to headcount reductions and the centralisation of the West End head office have been identified. These are expected to flow through to the full year ending 30 June 2019 ("FY19") results.

- As part of the cost out program, redundancy costs and restructuring provisions of \$1.7 million have been recognised at 31 December 2018 and with redundancy costs in 2H FY19 expected to be c.\$1.0 million.
- ▶ The launch of the Silver Chef Online Application Portal.
 - Within Australia the new platform has been rolled out to approximately 300 dealers, with 32% of applications being processed through the portal at 31 March 2019 and with an aim for 50% uptake by 30 June 2019.
 - Approximately 10% - 15% roll out has been completed in Canada with a bi-lingual French capability expected to roll out within the next six months.
 - The New Zealand platform is still under development and is expected to be rolled out in the short term.
- ▶ The delivery of a new global sales framework.
- ▶ Execution of a new incentive and engagement platform aimed at delivering further growth by utilising the traditional dealer market.

4.2.6 Emphasis of matter – Material uncertainty related to going concern

Silver Chef's auditors, KPMG, have drawn attention to the note to the financial statements titled 'Going Concern' as indicating that a *"material uncertainty exists that may cast significant doubt on [Silver Chef's] ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the [financial statements]"*⁶. This was raised firstly in the reviewed half year results at 31 December 2017 and subsequently in the audited full year financial statements at 30 June 2018 and the reviewed half year results at 31 December 2018. KPMG's audit opinion was not modified in respect of this matter for any of these periods.

KPMG further stated that:

"In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt [on Silver Chef's] assessment of going concern. Our approach to this involved:

- ▶ evaluating the feasibility, quantum and timing of Silver Chef's plans to raise additional capital and renegotiate existing debt facilities and related loan covenants to address going concern;
- ▶ assessing Silver Chef's cash flow forecasts for incorporation of Silver Chef's plans to address going concern, in particular the impact of revising capital and financing arrangements and associated compliance with debt covenant requirements; and
- ▶ determining the completeness of Silver Chef's going concern disclosures for the principal matters casting significant doubt on Silver Chef's ability to continue as a going concern, Silver Chef's plans to address these matters, and the material uncertainty".

⁶ Silver Chef 1H FY18 Financial Statements, Silver Chef FY18 Annual Report, Silver Chef 1H FY19 Financial Statements

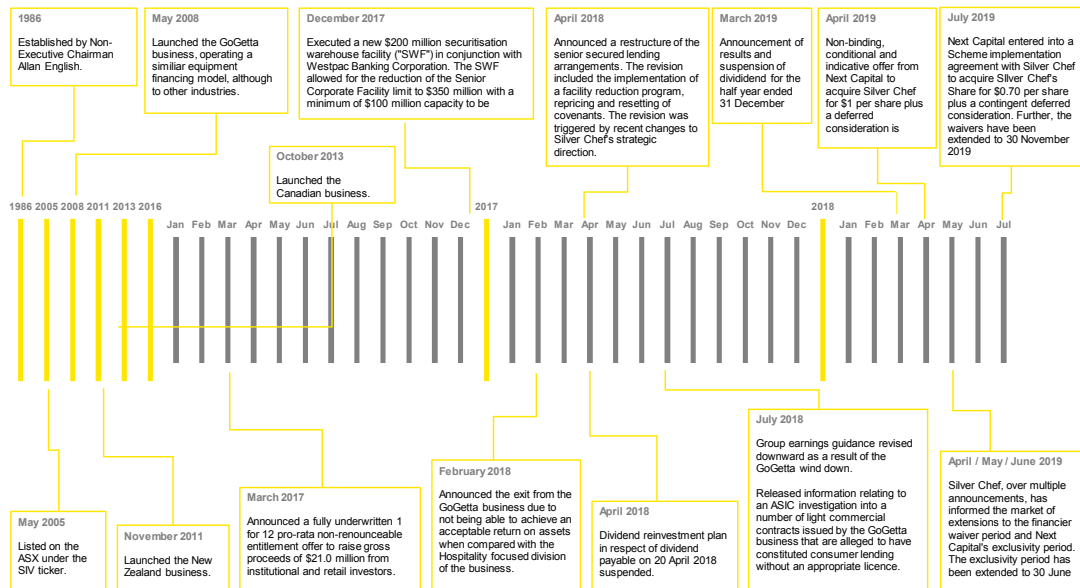
Attachment A

Independent Expert's Report



4.3 Timeline of key events

The following diagram summarises the key events in the history of Silver Chef.



Source: 2018 full year investor presentation – Silver Chef Limited and ASX announcements

4.4 Financial information

4.4.1 Financial performance

The following table outlines Silver Chef's audited consolidated statement of profit and loss for the last three financial years ended 30 June 2018 ("FY18") and reviewed half year results at 31 December 2018 ("1H FY19").

Consolidated statement of profit and loss				
Currency: A\$'000	FY16	FY17	FY18	1H FY19
Rental income	203,608	263,259	257,814	106,318
Lease interest	17,393	22,614	29,189	15,130
Other income	81	152	135	165
Total revenue	221,082	286,025	287,138	121,613
Cost of rental services	(10,636)	(13,697)	(15,759)	(20,073)
Other administrative expenses ³	(13,140)	(16,048)	(22,549)	-
Sales and marketing ³	(3,003)	(4,304)	(5,629)	-
Total expenses from ordinary activities	(26,779)	(34,049)	(43,937)	(20,073)
Bad debt expense	(6,248)	(12,623)	(52,969)	(7,866)
Employee expenses	(32,211)	(38,063)	(42,167)	(18,370)
Loss on sale of rental assets	(9,128)	(9,181)	(17,999)	(10,667)
Total other expenses	(47,587)	(59,867)	(113,135)	(36,903)
EBITDA	146,716	192,109	130,066	64,637
Depreciation and amortisation expense	(94,914)	(134,223)	(137,999)	(58,501)
Impairment of rental assets	(8,807)	(16,290)	(39,369)	(14,028)
EBIT	42,995	41,596	(47,302)	(7,892)
Interest expense	(9,378)	(12,643)	(15,530)	(9,258)
Amortisation of capitalised borrowing costs	(1,777)	(611)	(5,554)	-
PBT	31,840	28,342	(68,386)	(17,150)
Income tax benefit/ (expense)	(9,484)	(8,097)	19,572	5,457
NPAT	22,356	20,245	(48,814)	(11,693)
KPIs				
Revenue growth	n/a	29.4%	0.4%	nmf
EBITDA margin	66.4%	67.2%	45.3%	53.1%
Bad debts expense on revenue	2.8%	4.4%	18.4%	6.5%
Impairment of rental assets on revenue	4.0%	5.7%	13.7%	11.5%

Source: Silver Chef FY17 Annual Report, Silver Chef FY18 Annual Report, Silver Chef 1H FY19 Financial Statements

Notes:

1. Other income includes interest income not defined as lease interest.

2. Certain items have been reclassified in 1H FY19 resulting in nil balances for other administrative expenses, sales and marketing and amortisation of capitalised borrowing costs.

3. Breakdown of certain cost items were not disclosed in the Silver Chef half year financial report.

In relation to Silver Chef's financial performance we note the following:

- ▶ The FY18 and 1H FY19 results have been adversely impacted by non-recurring items related to the run off of the GoGetta book, failure of three large franchise groups (City Convenience, Doughnut Time and Lone Star) and changes to certain provisioning processes. These one-off items have largely been confined to loss on sale of rental assets, impairment of rental assets and bad debts expense.
- ▶ Total revenue consists of rental income, lease interest and other income which increased from \$221.1 million in FY16 to \$287.1 million in FY18.
- ▶ Expenses from ordinary activities and employee expenses have increased at a CAGR of 28.1% and 14.4% respectively between FY16 and FY18. Further, the ratio of expenses from ordinary activities and employee expenses on total revenue has increased from 26.7% in FY16 to 31.6% in 1H FY19. This has placed additional pressure on Silver Chef's operating margins.

Attachment A

Independent Expert's Report



- ▶ The bad debts and impairment of rental assets expenses increased significantly in FY18. This was primarily due to the write down of expected returns from the GoGetta business and a strategic reset of provisions on a forward-looking basis after a review of Silver Chef's collections process. The bad debts expenses reflect a provision in full against all receivables greater than 90 days (after applying available customer security bonds) as well as an additional amount taken against specific large and at-risk exposures. Impairment of rental assets assessments are conducted monthly on the recoverable amount of returned assets and assets on which customers have defaulted.
- ▶ Property, plant and equipment and rental assets are depreciated on a straight-line basis over their estimated useful lives or the period of time that Management estimates the asset can be utilised to generate income. Depreciation and amortisation as a percentage of the non-current asset base (property, plant and equipment, rental assets and intangible assets) has increased significantly from 28.0% in FY16 to 45.6% in FY18. Based on the utilisation of the straight-line depreciation method this infers that the weighted average useful life has over the same period decreased substantially.
- ▶ In comparison with FY18, the 1H FY19 KPIs have normalised considerably, illustrated by an increase in the EBITDA margin from 45.3% to 53.1% and reduction in the bad debts and impairment of rental assets expenses as a proportion of revenue. The Company did not however return to profitability.

4.4.2 Financial position

The following table outlines Silver Chef's audited consolidated statement of financial position for the last three financial years ended 30 June 2018 ("Jun18") and reviewed half year results at 31 December 2018 ("Dec18").

Consolidated statement of financial position				
Currency: A\$000	Jun16	Jun17	Jun18	Dec18
Cash and cash equivalents	5,676	7,307	29,265	46,580
Trade and other receivables	36,777	74,915	49,140	31,407
Inventories	-	-	3,320	371
Current tax assets	1,404	-	4,344	5,139
Other assets	1,770	2,929	2,192	2,653
Total current assets	45,627	85,151	88,261	86,150
Trade and other receivables	43,678	60,906	72,953	69,628
Rental assets	332,631	374,544	296,395	251,821
Property, plant and equipment	2,724	2,982	2,477	1,059
Intangible assets	3,141	3,834	4,054	4,053
Deferred tax assets	5,238	12,831	33,435	42,099
Total non-current assets	387,412	455,097	409,314	368,660
Total assets	433,039	540,248	497,575	454,810
Trade and other payables	(9,319)	(13,193)	(16,245)	(14,669)
Provisions	-	-	(3,800)	(6,207)
Customer security bonds payable	(32,867)	(29,666)	(21,691)	(19,565)
Loans and borrowings	(467)	-	(342,711)	(320,820)
Current tax payable	-	(7,654)	(640)	-
Employee benefits	(2,205)	(2,203)	(2,313)	(2,605)
Total current liabilities	(44,858)	(52,716)	(387,400)	(363,866)
Trade and other payables	(68)	(32)	-	-
Customer security bonds payable	(6,069)	(5,730)	(5,145)	(3,919)
Loans and borrowings	(249,584)	(315,046)	-	-
Employee benefits	(1,276)	(397)	(382)	(341)
Other liabilities	(537)	(601)	(548)	(506)
Derivatives	(1,404)	(654)	(308)	(191)
Total non-current liabilities	(258,938)	(322,460)	(6,383)	(4,957)
Total liabilities	(303,796)	(375,176)	(393,783)	(368,823)
Net assets	129,243	165,072	103,792	85,987
Share capital	90,556	119,330	120,742	120,742
Retained earnings	39,160	45,968	(16,573)	(35,108)
Reserves	(473)	(226)	(377)	353
Total equity	129,243	165,072	103,792	85,987
KPIs				
Net working capital	27,023	62,448	32,294	10,950
Net financial debt	283,311	343,135	340,282	297,724

Source: Silver Chef FY17 Annual Report, Silver Chef FY18 Annual Report, Silver Chef 1H FY19 Financial Statements

Notes:

1. Net working capital comprises current trade and other receivables, inventory, other assets (prepayments), current trade and other payables, provisions and current employee benefits.
2. Net financial debt comprises current and non-current customer security bonds payable, loans and borrowings and cash and cash equivalents.

Attachment A

Independent Expert's Report



In relation to Silver Chef's financial position we note the following:

- ▶ Cash and cash equivalents have increased from \$29.3 million at Jun18 to \$46.6 million at Dec18. This balance includes a portion of 'restricted cash' of \$23.5 million representing securitised cash flows held by the SIV Equipment Trust No.1. The Company has currently been unable to comply with certain reporting and other requirements which are requirements from the lender. As a result of this the Company has been unable to pay distributions out of SIV Equipment Trust No.1 to Silver Chef (since November 2018) and asset sell-ins have been restricted. This restriction has further limited the use of surplus cash which could otherwise be utilised to fund new business.
- ▶ Movements in rental assets consist of additions, capitalised upfront costs of lease origination, depreciation & amortisation expense, impairment losses and disposals. Further, rental assets may be converted to lease receivables or reclassified as inventory if they are likely to be recovered primarily through sales rather than through subsequent rental.
- ▶ Silver Chef recognised a provision of \$3.8 million at Jun18 in relation to an investigation by ASIC on its GoGetta light commercial asset book. The provision is an estimate of the expected customer remediation and related costs. The provisions balance increased to \$6.2 million at Dec18, of which \$5.8 million is attributable to the GoGetta light commercial asset book.
- ▶ Net working capital reflects current trade and other receivables, inventory, other assets (prepayments), current trade and other payables, provisions and current employee benefits. Net working capital as a percentage of revenue has remained relatively stable (between 9.0% and 12.2%) with the exception of Jun17 due to a significant increase in current and non-current trade receivables and finance lease receivables.
- ▶ Net financial debt peaked at \$343.1 million at Jun17 before reducing to \$297.7 million at Dec18. This reflects a reduction in net investing cash flows to an amount lower than net operating cash flows as well as the suspension of the half yearly dividend. Net financial debt comprises current and non-current customer security bonds payable, loans and borrowings and cash and cash equivalents.
- ▶ Loans and borrowings consist of bank loans (hospitality tranches and GoGetta tranche) and the securitisation debt facility. The securitisation debt facility was executed in December 2017 and has a limit of \$200 million. It is a revolving facility with an original maturity date of December 2020 with the first draw down occurring in April 2018 but has since been restricted in its use as referred to above.
- ▶ Whilst net financial debt has decreased, over the 12-month period to 31 December 2018 due to the wind down of the GoGetta portfolio, interest bearing liabilities (bank loans and the securitisation debt facility) have been reclassified from non-current to current liabilities. We discuss the Company's funding position, covenant breaches and capital management plan further below.

4.4.3 Capital management plan

- ▶ As a result of Silver Chef breaching certain financial covenants Silver Chef has announced a capital management plan ("Capital Management Plan").
- ▶ Silver Chef's Capital Management Plan was first announced by the Company on 20 August 2018. Management noted that the Company was in discussions with its existing financiers ("Lenders") regarding its financial covenants and Capital Management Plan. In relation to this, Management commented that the Company continued to enjoy the support of its lenders and expected appropriate waivers will be granted as required.
- ▶ Since the initial announcement regarding the Capital Management Plan, Silver Chef's Management have provided periodic updates, including that:
 - Financial covenants were breached at 30 June 2018

- Waivers from all Lenders were provided to 30 September 2018 in order to enable the Capital Management Plan to be progressed and approved. This was expected to be achieved through the introduction of subordinated debt into the capital structure.
- ▶ Over the following months, Management continued to explore a number of options to resolve the covenant breaches and continue to progress the Capital Management Plan including undertaking a capital raise in conjunction with subordinated and or mezzanine financing.
- ▶ The SF and SWF lenders then extended the waivers to 31 March 2019, conditional upon a successful minimum capital raising of \$45 million (of subordinated debt or equity) and ensuring the Syndicate's net debt to net rental asset ratio is no greater than 65%. As part of this extension of the waivers to 31 March 2019:
 - The Company renegotiated its financial covenants and the Lenders reduced the minimum payments on its Tranche B facility to provide sufficient working capital to the Company during this period.
 - The Company agreed to not draw down any further on its facilities without Lender consent.
 - The Company agreed to moderate its growth through the waiver period.
- ▶ These factors have constrained the operations, reducing it to the growth that can be funded from the Company's operating cash flows.
- ▶ The combined effect of the reduced near term outlook and the fall in the share price impacted the ability for the Company to raise the \$20 million in equity which was required as a prerequisite for a party to provide the \$45 million in mezzanine debt. Concurrently, discussions occurred with a number of parties which ultimately resulted in a conditional, indicative, non-binding offer from Next Capital on the Initial Announcement Date for a cash consideration of \$1.00 per share plus a Contingent Value Note.
- ▶ Since this conditional, indicative non-binding offer from Next Capital, there have been further extensions of the exclusivity period with Next Capital until 19 June 2019. Subsequently, the Lenders agreed to further extension of the waivers to 30 June 2019. These were conditional on the Company raising a minimum of \$45 million to repay the Company's Syndicated Debt Facility and ensure that the net debt to net rental asset ratio under the Syndicated debt Facility is no greater than 65%.
- ▶ On 23 May 2019, the Company announced that the exclusivity agreement with the preferred party to provide the \$45 million of mezzanine debt (outlined in the Company's 28 February 2019 announcement), had lapsed. Management noted additional factors which they had considered in progressing discussions with Next Capital. These included:
 - the currently available options for addressing Silver Chef's breaches of debt covenants under its Syndicated Debt Facility and Securitisation Warehouse Facility, including value and execution risks of each option;
 - the ongoing uncertainties and risks Silver Chef would face if it were to continue standalone operations, particularly in relation to the continued support of its bankers; and
 - Silver Chef's ability to raise the necessary capital to service outstanding and future debt obligations and the terms on which any such capital may likely be available.
- ▶ Between 3 June 2019 and 20 June 2019, Silver Chef announced extensions in the exclusivity period for Next Capital.
- ▶ On 3 July 2019, Silver Chef announced that it had entered into a Scheme Implementation Agreement with the Bidder. The Bidder revised its original offer to acquire Silver Chef to \$0.70 per share from the previously announced \$1.00 per share, plus a Contingent Value Note for each share held. Further, the

Attachment A

Independent Expert's Report



waivers have been extended to 30 November 2019 to allow the Scheme to be voted on and, if approved, implemented.

4.4.4 Statement of cash flows

The following table outlines Silver Chef's audited consolidated statement of cash flows for the last three years and 1H FY19.

Consolidated statement of cash flows				
Currency: A\$000	FY16	FY17	FY18	1H FY19
Receipts from customers	252,632	312,892	348,920	167,210
Payments to suppliers and employees	(119,656)	(141,635)	(157,897)	(76,073)
Finance costs paid	(10,278)	(12,643)	(13,614)	(8,552)
Interest received	49	49	59	55
Income taxes paid	(6,746)	(6,855)	(12,495)	(1,777)
GST (paid)/recovered	3,740	1,062	957	(585)
Net cash provided by operating activities	119,741	152,870	165,930	80,278
Payments for plant and equipment and rental equipment	(305,003)	(305,899)	(245,839)	(91,697)
Payments for other investing activities	-	-	(204)	(168)
Payments for internal and intangible assets	-	(3,573)	(2,219)	(670)
Proceeds from sale of plant and equipment	58,272	78,732	93,939	52,004
Proceeds from sale of properties	-	-	-	-
Net cash used in investing activities	(246,731)	(230,740)	(154,323)	(40,531)
Proceeds from borrowings	265,336	83,474	126,121	19,279
Repayment of borrowings	(154,700)	(18,000)	(97,239)	(41,711)
Repayment of finance leases	(475)	(468)	-	-
Transaction costs paid in relation to loans and borrowings	(2,136)	(624)	(6,217)	-
Proceeds from issue of shares	35,358	28,508	-	-
Transaction costs paid in relation to issue of shares	(1,410)	(1,261)	(13)	-
Dividends paid	(10,877)	(12,128)	(12,301)	-
Net cash provided by financing activities	131,096	79,501	10,351	(22,432)
Net increase in cash held	4,106	1,631	21,958	17,315
Cash at beginning of year	1,570	5,676	7,307	29,265
Cash at end of year	5,676	7,307	29,265	46,580

Source: Silver Chef FY17 Annual Report, Silver Chef FY18 Annual Report, Silver Chef 1H FY19 Financial Statements

Notes:

1. Payments for plant and equipment and payments for rental equipment have been reclassified as a single investing cash flow to increase the comparability between periods.

In relation to Silver Chef's statement of cash flows we note that over FY16 and FY17 Silver Chef's net operating cash flows were significantly less than net investing cash flows. This largely reflected purchases of plant and equipment and rental equipment required to grow the business. The resulting shortfall was financed by proceeds from borrowings and capital raisings.

4.5 Capital structure

As at 29 July 2019, Silver Chef had 39,267,916 fully paid ordinary shares on issue which includes the 225,135 new shares issued in FY18 under the dividend reinvestment plan.

4.6 Major shareholders

As at 29 July 2019, the five largest shareholders in Silver Chef are as follows:

Silver Chef – Top shareholders		
Shareholder	Number of shares	Voting interest
BNP Paribas Nominees Pty Ltd	5,794,175	14.76%
English Family Foundation	4,550,000	11.59%
Tessana Pty Ltd	3,999,956	10.19%
Ruminator Pty Ltd	755,500	1.92%
Contemplator Pty Ltd	750,000	1.91%

Source: Silver Chef

Silver Chef's two largest shareholders are BNP Paribas Nominees Pty Ltd and English Family Foundation, holding relevant interests of 14.76% and 11.59% of Silver Chef's issued capital, respectively.

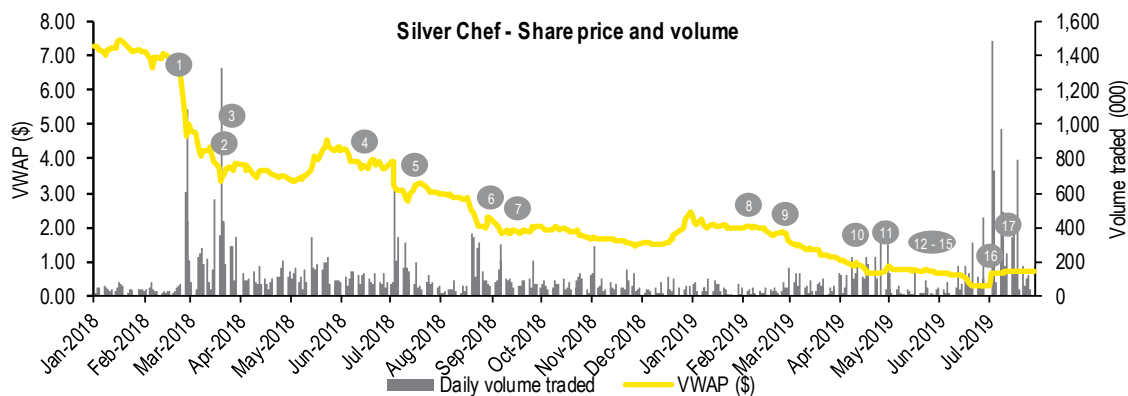
Attachment A

Independent Expert's Report



4.7 Share price performance

The chart below shows the daily volume weighted average price ("VWAP") and trading volumes of Silver Chef shares on the ASX between 1 January 2018 and 29 July 2019. Over that period, Silver Chef's share price traded from a high of \$7.59 per share on 17 January 2018 to a low of \$0.24 per share on 21 June 2019. Silver Chef's closing share price on 28 June 2019, being the last trading day prior to the Announcement Date, was \$0.31 per share.



Source: S&P Capital IQ

In addition to the regular quarterly, half year and annual reporting announcements, the material announcements made by Silver Chef and other market information between 1 January 2018 and 29 July 2019 annotated in the chart above that may have had an impact on Silver Chef's share price are summarised below:

1. 26 February 2018 – Silver Chef announced, in conjunction with half year financial results for the period ended 31 December 2018, its decision to exit the GoGetta business.
2. 19 March 2018 – Silver Chef was removed from the S&P/ASX300 Index and S&P/ASX Small Ordinaries Index.
3. 29 March 2018 – Silver Chef announced that it had successfully completed negotiations with senior lenders in relation to a restructuring of the Company's senior secured lending arrangements.
4. 18 June 2018 – Silver Chef announced that it had appointed Graeme Fallet as Chief Financial Officer with effect from 20 June 2018.
5. 3 July 2018 – Silver Chef revises group earnings guidance for the FY18.
6. 20 August 2018 – Silver Chef announced unaudited results for FY18 and reported a statutory loss.
7. 24 September 2018 – Silver Chef was removed from the S&P Global BMI Index.
8. 28 February 2019 – Silver Chef announced its half year results and that no interim dividend for 1H FY19 would be paid.
9. 18 March 2019 – Silver Chef was removed from the S&P/ASX Emerging Companies Index and S&P/ASX All Ordinaries Index.

10. 11 April 2019 – Silver Chef announced that Next Capital had made a non-binding, conditional and indicative offer to acquire Silver Chef for \$1.00 per share plus a contingent deferred consideration calculated on 50% of any net proceeds (net of all outgoings and claims including contingent costs and expenses incurred) realised from run-off of GoGetta business that exceeds \$10 million.
11. 30 April 2019 – Silver Chef announced that the exclusivity period for Next Capital had been extended until 24 May 2019. Further, the company also obtained waivers from its existing financiers until 31 May 2019.
12. 23 May 2019 – Silver Chef announced that the exclusivity period for Next Capital had been extended until 14 June 2019. Further, the company also sought waivers from its existing financiers until 30 June 2019.
13. 3 June 2019 – Silver Chef announced that it had obtained waivers from its existing financiers until 30 June 2019.
14. 17 June 2019 – Silver Chef announced that the exclusivity period for Next Capital had been extended until 19 June 2019.
15. 20 June 2019 – Silver Chef announced that the exclusivity period for Next Capital had been extended until 30 June 2019.
16. 1 July 2019 – Silver Chef shares were placed in a trading halt until the earlier of commencement of normal trading on 3 July 2019 or when an announcement is released to market.
17. 3 July 2019 – Silver Chef announced that it had entered into a Scheme Implementation Agreement with a consortium of investors of Next Capital. Next Capital revised its offer to acquire Silver Chef for \$0.70 per share plus a contingent deferred consideration calculated on 50% of any net proceeds (net of all outgoings and claims including contingent costs and expenses incurred) realized from run-off of GoGetta that exceeds \$10 million (i.e. Contingent Value Note) noting that no deferred consideration is payable until Silver Chef's Facility B under the Syndicated Facility Agreement has been repaid in full.

The following table summarises the monthly trading prices and volumes of trades of Silver Chef's shares on the ASX over the period 1 January 2018 to 29 July 2019.

Silver Chef – Monthly share trading and liquidity						
Month	High (\$)	Low (\$)	Close (\$)	VWAP (\$)	Monthly volume (m)	Liquidity %
Jan-18	7.59	6.97	7.15	7.26	0.82	2.1%
Feb-18	7.20	4.41	4.91	5.41	2.75	7.0%
Mar-18	5.03	3.14	3.90	3.81	6.07	15.5%
Apr-18	3.98	3.36	3.45	3.57	2.05	5.2%
May-18	4.68	3.28	4.28	3.91	3.08	7.8%
Jun-18	4.41	3.58	3.78	3.89	1.95	5.0%
Jul-18	3.99	2.61	2.97	3.12	3.31	8.4%
Aug-18	3.04	1.96	2.30	2.37	2.32	5.9%
Sep-18	2.30	1.77	2.09	1.94	2.10	5.4%
Oct-18	2.09	1.67	1.68	1.88	1.60	4.1%
Nov-18	1.74	1.46	1.53	1.62	1.66	4.2%
Dec-18	2.50	1.47	2.46	1.75	0.82	2.1%
Jan-19	2.46	1.94	1.97	2.05	0.90	2.3%
Feb-19	2.04	1.74	1.79	1.90	0.66	1.7%
Mar-19	1.72	1.11	1.11	1.36	1.40	3.6%
Apr-19	1.15	0.62	0.87	0.82	2.90	7.4%
May-19	0.91	0.67	0.68	0.78	0.85	2.2%
Jun-19	0.70	0.24	0.31	0.42	2.08	5.3%
Jul-19	0.72	0.30	0.71	0.69	6.86	17.5%

Source: S&P Capital IQ

Attachment A

Independent Expert's Report



The table shows that between January 2018 and July 2019, Silver Chef's shares have traded within the range of \$0.24 to \$7.59 per share.

The monthly liquidity of Silver Chef's shares over this period, ranged between 1.7% and 17.5% of total shares in issue.

The table below summarises the Silver Chef shares VWAP prior to the Announcement Date and Initial Announcement Date:

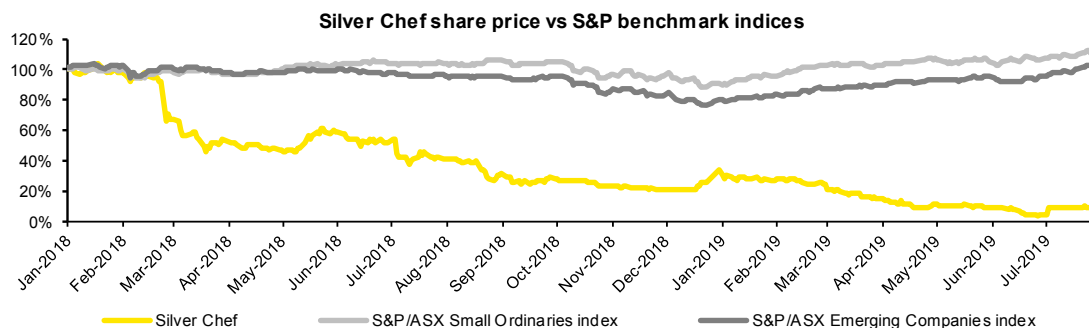
Silver Chef – VWAP of Silver Chef shares		
Period	VWAP prior to the Announcement Date	VWAP prior to the Initial Announcement Date
1 day prior	0.31	0.86
1 week prior	0.31	0.91
1 month prior	0.42	1.09
3 months prior	0.67	1.47

Source: S&P Capital IQ

Our analysis of the movements in Silver Chef's share price and trading volumes indicate that its shares not overly liquid considering the following:

- ▶ Over the period from January 2018 to June 2019, the average monthly liquidity in Silver Chef's shares was approximately 5.9%.
- ▶ Silver Chef's shares that are likely to trade (i.e. all shares excluding those held by Founder Shareholders being those with a 5% or more interest and Directors) is approximately 77.4%. As such, we consider Silver Chef to have a relatively high free float.
- ▶ Over the latest 12 months the average bid/ask spread as a percentage of daily closing asking prices was 2.2%, which is relatively low for a company of Silver Chef's size.
- ▶ Over the last twelve months Silver Chef has been removed from all indices and has significantly reduced broker coverage. In addition, due to the significant decline in the market capitalisation of the Company, many investors and institutional funds are no longer able to invest in the Company due to their investment mandates.

The following chart illustrates the correlation between movements in Silver Chef's share price with the S&P/ASX Small Ordinaries index and S&P/ASX Emerging Companies index over the period January 2018 and July 2019.



Source: S&P Capital IQ

Note: The above chart illustrates the movement in percentage terms rebased as at 1 January 2018.

The graph shows that over the period from 1 January 2018 to 26 February 2018 Silver Chef's share price has performed in line with the S&P/ASX Small Ordinaries index and S&P/ASX Emerging Companies index. However, since approximately February 2018, post Silver Chef's announcement of exiting the GoGetta business, Silver Chef has significantly underperformed relative to both indices and is no longer a member of either index.

5. Valuation methodology and approach

5.1 Valuation methodology and approach

As noted in Section 2.2, we have considered whether the Proposed Scheme is fair by comparing our assessed fair value of the Silver Chef Shares being given up, on a controlling interest basis, with the fair value of the Scheme Consideration. In assessing the value of a Silver Chef Share, we have assumed 100% ownership, which is implicitly on a control basis. The Proposed Scheme is considered fair if the value of the Scheme Consideration is equal to or greater than the range of values assessed for a Silver Chef Share.

5.2 Valuation methodologies adopted

A number of valuation approaches may be applied in determining the fair value of an investment or business, with the appropriate approach dependent upon the relevant circumstances. Details of the various accepted approaches are outlined in *Appendix B – Valuation methodologies*, and typically comprise the income, market and cost approaches. The approaches adopted in our analysis are described below.

5.2.1 Value of Hospitality business

Having regard to the nature of Silver Chef's hospitality business (excluding GoGetta), and the available information, we have applied the market approach and specifically the capitalisation of maintainable earnings method as our primary methodology. We have adopted this approach for the following reasons:

- ▶ Information is available in respect of broadly comparable companies. We recognise that there are few closely comparable companies with operations in similar geographies and exposure to a similar portfolio of hospitality asset financing. However, there are listed companies that operate in the same sector, and recent transactions of asset financing companies such that trading and transaction multiples are able to be observed from publicly available information to be applied to an assessment of Silver Chef's earnings.
- ▶ No long-term projections to an acceptable standard are available to enable us to apply the income approach.

The capitalisation of maintainable earnings method requires an assessment of the following:

- ▶ The earnings stream that may be considered representative for the business. In this respect, we have adopted net profit after tax (NPAT) as the appropriate earnings basis for our analysis. This is considered appropriate as:
 - Capital intensity can vary considerably between companies, even in the same industry sector.
 - For a business such as Silver Chef, debt is utilised as an operating cash flow and therefore interest expense should be considered as this is critical in understanding the profitability of Silver Chef compared to comparable companies.
 - Companies in asset financing and broader financial services industry are typically valued using P/NPAT multiples.
- ▶ An appropriate earnings multiple to apply to the selected maintainable NPAT, having regard to comparable listed companies, relevant comparable transactions, growth prospects and other factors.

In applying this approach, we relied upon the latest financial performance of Silver Chef as at 31 December 2018 in assessing the earnings. We calculated the normalised FY17 and FY18 as well as the last twelve month (LTM) earnings and an appropriate range of multiples. We then assessed a value per share based on the number of shares in Silver Chef expected to be outstanding immediately prior to the Proposed Scheme.

Attachment A

Independent Expert's Report



Our selected maintainable NPAT is based on historical earnings trends, discussions with Management and has regard to internal budgets and plans and recent analyst forecasts, where available.

5.2.2 Value of GoGetta

In relation to the GoGetta business we were provided with information regarding the expected run-off of cash flows. Due to the finite nature and available illustrative forecast cash flow information we adopted a discounted cash flow methodology. This had regard to the expected net present value of the net proceeds to be received by Silver Chef in running down the GoGetta Business.

5.2.3 Other assets and liabilities

We have assessed the value of Silver Chef's non-operating assets and liabilities as follows:

- ▶ The ASIC liability was considered as a separate liability in our valuation.
- ▶ No separate value was placed on Silver Chef's deferred tax assets or franking credits.
- ▶ The fair value of cash and debt were considered to be equal to their book values.

5.2.4 Control premium / minority discount

As noted previously, our valuation of a Silver Chef Share incorporates a premium for control. This is consistent with the requirements of RG 111.

5.3 Valuation cross checks

Prior to finalising our valuation of Silver Chef, we considered the reasonableness of our assessed valuation ranges using the market approach by comparison with market evidence including the traded price of Silver Chef's shares both prior to and following the announcement of the Proposed Scheme and also cross checked with comparable companies price to net tangible asset multiple.

5.4 Value of the Scheme Consideration

As discussed throughout the report, the Scheme Consideration includes the Cash Scheme Consideration of \$0.70 per Silver Chef Share as well as the Contingent Value Note.

The latter is equal to 50.0% of the cash proceeds above \$10 million that is recouped by Silver Chef in running down the GoGetta Business, net of all outgoings and claims including contingent costs incurred, calculated as at the Determination Date of 30 June 2021. Based on this, we have applied the discounted cash flow approach in estimating the value of the Contingent Value Note.

6. Valuation of Silver Chef Shares

6.1 Summary of values

We have valued Silver Chef based on the sum of the fair values of its underlying net assets and liabilities, on a going concern basis. Our sum-of-the-parts valuation is summarised in the following table.

Silver Chef – Valuation summary			
\$ million	Ref	Low	High
Silver Chef (Hospitality business)	Section 6.3	21.0	28.0
GoGetta business	Section 6.4	22.0	22.0
Total value		43.0	50.0
Less: Other liabilities	Section 6.5	(7.8)	(5.8)
Fair value of equity		35.2	44.2
Number of shares on issue (million)	Section 6.6	39.3	39.3
Fair value of a Silver Chef Share on a control basis (\$)		0.90	1.13

Source: Ernst & Young Transaction Advisory Services Limited analysis

We have considered the fair value of 100% of the ordinary equity in Silver Chef to be in the range of \$0.90 per share to \$1.13 per share on a control basis.

In determining the value of a Silver Chef Share, we divided our assessed fair value of the equity in Silver Chef by the expected number of shares on issue immediately prior to acceptance and implementation of the Proposed Scheme.

6.2 Valuation methodology

As discussed in Section 5 of this report, our fair valuation of Silver Chef has been conducted on a controlling interest basis using a sum-of-the-parts method. We have valued the Hospitality business based on the capitalisation of maintainable earnings method and have valued GoGetta based on discounted cash flow analysis.

6.3 Valuation of Hospitality business

6.3.1 Maintainable earnings

For the purposes of the fair value assessment of Silver Chef using the capitalisation of earnings method, we have considered the historic reported NPAT, our own analysis and discussions with Management to understand their ability to generate new business in the future. The following factors were considered in our analysis:

- ▶ The growth outlook for the business and bad debts.
- ▶ Analysis of the asset leasing sector, including the level of competition and growth outlook for the broader sector.
- ▶ Geographical focus of Silver Chef's portfolio and strategic growth prospects.
- ▶ Australian, New Zealand and North American economic outlook and market growth prospects.
- ▶ Recent strategic initiatives and normal levels of impairment, bad debt and loss on sale of assets impacts.

Attachment A

Independent Expert's Report



The table below summarises our selected range of maintainable earnings on an NPAT basis:

Maintainable net earnings analysis (Hospitality business)			
\$ million	FY17	FY18	LTM
Statutory NPAT	20,245	(48,814)	(47,452)
Less: GoGetta NPAT	9,154	(38,010)	(30,627)
Add: Actual impairment and bad debt expense and loss on sale	11,356	40,017	45,362
Less: Normalised for impairment and bad debt expense and loss on sale	(17,379)	(19,754)	(20,072)
Add: Net normalisation adjustment	(6,023)	20,263	25,290
Add: Tax impact based on 30% tax rate	1,807	(6,079)	(7,587)
Underlying NPAT	6,875	3,380	878

Source: Audited financial statements, Management discussions, EY analysis and adjustments

The above table shows the computation of normalised NPAT for FY17, FY18 and LTM results as at December 2018 (the six-month periods ended 30 June 2018 and 31 December 2019). As part of the normalisation, we have:

- ▶ Normalised the impairment expense, bad debt expense and loss on sale of assets to 10.8% of revenue. In arriving at this normalisation, we have considered:
 - discussions with Management around a normalised level for these expenses and new initiatives undertaken to reduce these expenses including the implementation of a new credit policy, automated credit approval system and the maximum allowable proportion of swift assets per customer which are discussed in Section 4;
 - the historical actual results;
 - changes in accounting policies;
 - comparable companies analysis; and
 - external consultant's views on normalised expenses.
- ▶ Tax effected the above adjustments based on the statutory corporate tax rate of 30%.

In addition to the above normalisations, we consider that:

- ▶ The LTM NPAT is not representative of the maintainable level of earnings for the business as this result has been achieved in a capital constrained environment.
- ▶ Further, the Company has only recently adopted new risk management policies and an automated risk management systems which will enable better risk management decisions which should lead to lower levels of bad debts and impairments, and through this, improved financial performance.
- ▶ As the above capital constraints and systems will take time to impact on the hospitality portfolio and the business will remain in a capital constrained environment over the coming months we adopted the recent historical average (FY17, FY18 and LTM) as we consider this to be more reflective of the future maintainable earnings rather than the LTM result.

Based on the above we have considered a future maintainable earnings NPAT range of between \$3.0 million and \$4.0 million as a reasonable estimation of Silver Chef's maintainable earnings.

6.3.2 NPAT multiples

We have capitalised our assessed maintainable NPAT at a multiple that we consider reasonably reflects the business and growth prospects of Silver Chef. In assessing appropriate NPAT multiples we considered the current trading multiples of companies that may be considered broadly comparable to Silver Chef. In addition, we analysed the multiples implied from recent acquisitions of companies with similar operations.

6.3.2.1 Transaction multiples

We have considered the multiples implied in transactions since 2014 involving the acquisition of companies operating in the equipment financing and broader asset financing sectors. The implied multiples of the observed transactions are illustrated in the table below.

Transaction multiples					
Date	Target	Acquirer	Transaction value (A\$m)	Percentage acquired (%)	LTM P/NPAT multiple
21-Jan-16	EcoHome Financial Inc.	Dealnet Capital Corp.	35	100%	24.7x
22-May-15	Firestone Financial Corp.	Berkshire Bank	70	100%	11.9x
15-Dec-14	MicroFinancial Inc.	Fortress Investment Group LLC	185	100%	15.2x
High					24.7x
Median					15.2x
Mean					17.3x
Low					11.9x

Source: Ernst & Young Transaction Advisory Services Limited analysis, S&P Capital IQ, Annual Reports, Merger Market

Notes: 1. LTM stands for last twelve months.

Due to the lack of publicly available information on the transactions and limited comparability of the acquisition targets, we note that none of the transactions are particularly relevant for Silver Chef.

6.3.2.2 Trading multiples

The NPAT multiples calculated for selected comparable listed companies are shown on a minority basis in the table below.

Trading multiples as at 29 July 2019				
Company	Country	LTM	Marketcap (\$m)	LTM P/NPAT multiple
Silver Chef Limited	Australia	31-Dec-18	27.9	nmf
Aksesstoday Limited	Australia	30-Jun-18	105.9	34.8x
FlexiGroup Limited	Australia	31-Dec-18	741.5	8.1x
Thorn Group Limited	Australia	30-Sep-18	40.3	4.1x
Chesswood Group Limited	Canada	31-Dec-18	160.2	7.0x
Marlin Business Services Corp.	United States	31-Dec-18	280.6	11.2x
Rent-A-Center, Inc.	United States	31-Dec-18	1,440.2	169.6x
CML Group Limited	Australia	31-Dec-18	94.6	16.1x
Accord Financial Corp.	Canada	31-Dec-18	77.7	6.9x
High (Excluding outliers)				16.1x
Mean (Excluding outliers)				8.9x
Median (Excluding outliers)				7.5x
Low (Excluding outliers)				4.1x

Source: Ernst & Young Transaction Advisory Services Limited analysis, S&P Capital IQ, Annual Reports

Notes:

1. Rows highlighted in grey have been excluded from our analysis.

2. LTM stands for last twelve months.

3. Market capitalisation has been presented in the currency in which the company is incorporated.

Attachment A

Independent Expert's Report



We note the following in relation to the multiples above:

- ▶ There is a wide range of multiples reflecting the different levels of diversification and growth outlook for each of the comparable companies. In general, we would expect larger and more diversified companies, such as CML Group Limited and Rent-A-Center, Inc., to have higher multiples than Silver Chef due to the economies of scale and diversification of earnings.
- ▶ The multiples of the listed asset financing companies are based on the equity value of these companies as at 29 July 2019.
- ▶ The listed comparable company multiples above are on a minority basis. As we are valuing the Company on a controlling basis a control premium need to be considered. Historically, control premiums on successful takeovers in Australia have frequently been in the range of 20% to 40% with the premium varying significantly from circumstance to circumstance. Control premiums can vary widely and are often reflective at least in part of the potential for significant synergies to be realised by a particular purchaser. The Mergerstat control premium study at 31 March 2019, has a median 12 month control premium observed for transactions globally in the financing and credit sector of 23%. This compares to the 12 month control premium observed for all transactions globally of 26%. There may be differences between asset financing given the different levels of asset intensity and scale of potential synergies that can be realised. The ability to realise some synergistic benefits, for example by merging the target company's operations with those of the acquiring entity. Benefits may include:
 - Access to cash flows;
 - Access to tax benefits; and
 - Control of the board of directors and the direction of the company.
- ▶ We have assessed the comparability of the observed comparable trading companies giving consideration to a number of factors including: the historical results and outlook for each geographical business, historical average NPAT margins and historical average NPAT growth. We note, we considered Xsesstoday Limited as the most comparable to Silver Chef, however since the company is currently in voluntary administration and in the pursuit of a sale or recapitalisation of the business, we have excluded it from our assessment. We also considered EconoLease and Newcap Leasing in our analysis as these are comparable to Silver Chef operating in the Canadian market, however since they are private companies we were not able to obtain any pricing metrics. Based on the above, we consider Accord Financial Corp. and FlexiGroup Limited to be the most comparable to Silver Chef amongst the publicly traded asset financing companies albeit both offer more diverse asset financing outside the hospitality industry. Although it is difficult to determine which factors are likely to influence the implied multiples of trading companies and to quantify their impact, when analysed individually, some factors are likely to contribute to a particular operation attracting higher multiples than others.
- ▶ A number of key factors we have considered in our analysis and their potential impact on multiples are listed below:
 - Size of company: Larger companies with more diverse operations may attract higher multiples.
 - Geography: Companies with operations in developing countries and countries associated with high levels of risk may attract lower multiples.
 - NPAT margin: Companies with improving NPAT margins may attract higher multiples.
 - NPAT growth: Companies with higher NPAT growth rates may attract higher multiples.

We also note the following in relation to Silver Chef's market position and performance against these listed companies:

- ▶ Silver Chef continues to be one of the key participants in the Australian and New Zealand hospitality asset financing sector. Its market position is strong due to its relative scale, dealer relationships and ability to refurbish and redeploy equipment into the market in Australia.
- ▶ Silver Chef has a growth opportunity through its expansion into the North American market where it has a small but growing footprint in Canada and potential to launch its product into the United States as discussed in Section 4.
- ▶ Whilst well positioned to benefit from the above market position and expansion opportunities, we note Silver Chef's poor recent track record of financial performance and the significant operational improvements which remain unproven and need to be delivered in order to achieve profitability improvements.
- ▶ After considering the above factors and the comparable company multiples and a premium for control we have selected an NPAT multiple of 7.0x on a control basis to apply to the selected maintainable earnings range of Silver Chef.

6.3.3 Value of hospitality business

The calculation and concluded value of Silver Chef's hospitality business is outlined in the table below:

Silver Chef – Hospitality business valuation summary			
\$ million	Ref	Low	High
Selected NPAT range	Section 6.3.1	3.0	4.0
Selected NPAT multiple	Section 6.3.2	7.0x	7.0x
Equity Value - Hospitality business		21.0	28.0

Source: EY analysis

Attachment A

Independent Expert's Report



6.4 Valuation of GoGetta

As outlined above, due to the run-off of the GoGetta business, we have valued GoGetta separately. Given the short time period over which the cash flows will be recovered and specific calculation required to assess the value of the GoGetta business we have utilised a discounted cash flow approach.

We note that the GoGetta business does not typically prepare long term projections. However, we were provided with some illustrative analysis of the GoGetta run off portfolio which was prepared for the purpose of the Proposed Scheme. This analysis is considered preliminary in nature and therefore for the purposes of our indicative DCF we undertook the following:

- ▶ Considered the preliminary information provided by Management and discussed with Management the prospects for the run off of the GoGetta business and associated risks.
- ▶ Considered market information as to growth rates as well as historical trends in the business.
- ▶ We then considered the actual results for GoGetta and applied various market based assumptions in our indicative DCF. The key assumptions are discussed below:
 - Revenue – revenue forecasts are based on the current GoGetta portfolio run off profile. Key revenue forecast streams are as follows:
 - Rental income: This represents the majority of the revenue (c.45%). Rental income is forecast based on a 55% return on rental assets. We have cross checked the yield assumption with the historical actual yield.
 - Lease payment: Lease income is forecast to be based on a 43% return of the lease receivable book.
 - Payout revenue and cancellation consideration: The cancellation percentage is forecast to be 60%. In addition, it is forecast that of the cancelled consideration, 85% of the written down value ("WDV") is realised. Each of these assumptions has been cross checked to the historical average assumptions achieved.
 - Sale of idle book: Forecast revenue from sale of the residual idle book is forecast to be 45% of the written down value.
 - Operating expenditure – operating expenditure as a percentage of revenue has been assumed in the range of c. 15% of revenue. This reflects all operating and interest expenses to fund the portfolio. The net operating margin has also been cross checked with industry peers and GoGetta's historic average.
 - Capital expenditure and working capital – Given the GoGetta portfolio is in run off we have assumed that there is no significant capital expenditure required.
 - Bad debts – Bad debt have been assumed at 0.73% of the rental asset base.
 - Tax – tax is assumed at the Australian corporate tax rate of 30%. We have assumed that as a result of carried forward tax losses and other deferred tax assets, no corporate taxes will arise from the run-off of GoGetta.
 - Financing – Net cash flows generated from the portfolio run-off are first applied towards debt repayment. The forecast assumes all debt is repaid by October 2019 after which cash flows are available to equity holders.
 - Discount rate – we applied a cost of equity range of 11% to 13%.
 - Run-off – It is forecast that the run-off will be completed by June 2021.

The resultant value for the GoGetta run-off book was \$22.0 million.

6.5 Other assets and liabilities

We have assessed the value of Silver Chef's non-operating assets and liabilities as follows:

- ▶ The ASIC liability was considered as a separate liability in our valuation. We have adopted the amount provided for by Management of \$5.8 million in relation to the ASIC investigation into the GoGetta business and applied this amount to the high end of our valuation range. In addition, based on our discussions with Management we have considered an additional amount of \$2.0 million over and above Management's estimate, or \$7.8 million to the low end of our valuation range.
- ▶ No separate value was placed on Silver Chef's deferred tax assets or franking credits as the carried forward tax losses reported as at the date of this report and the majority of the deferred tax assets resulting from timing differences were considered in the GoGetta valuation above. In addition, we have considered any remaining deferred tax assets resulting from timing difference in the application of our future maintainable earnings and selected multiple for the hospitality business.
- ▶ The fair value of cash and debt were considered to be equal to their book values.

6.6 Number of shares on issue

In order to determine a value per Silver Chef Share on a control basis, we have divided the total equity value (based on the sum of the net assets outlined above) by the total number of Silver Chef Shares on issue immediately prior to the implementation of the Proposed Scheme.

The table below summarises the expected number of shares on issue immediately prior to the implementation of the Proposed Scheme, on a fully diluted basis:

Capital structure of Silver Chef immediately prior to the Proposed Scheme (fully diluted)	
Million shares	
Number of Silver Chef Shares on issue at 29 July 2019	39.268
Source: Management	

Attachment A

Independent Expert's Report



6.7 Conclusion on value

Our fair value assessment of Silver Chef is summarised in the following table:

Silver Chef – Valuation summary			
\$ million	Ref	Low	High
Silver Chef (Hospitality business)	Section 6.3	21.0	28.0
GoGetta business	Section 6.4	22.0	22.0
Total value		43.0	50.0
Less: Other liabilities	Section 6.5	(7.8)	(5.8)
Fair value of equity		35.2	44.2
Number of shares on issue (million)	Section 6.6	39.3	39.3
Fair value of a Silver Chef Share on a control basis (\$)		0.90	1.13

We note the following in relation to calculation of Silver Chef equity value:

- As at 31 December 2018, Silver Chef had recognised a deferred tax asset on its balance sheet of \$42.1 million of which approximately \$4.3 million related to carried forward tax losses for the period up to 30 June 2018 which was the latest available information as at the date of this report, with the remaining balance relating to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (i.e. higher annual depreciation for accounting purposes than for tax). In addition, we understand that Silver Chef has incurred additional tax losses since this date. We have not attached any separate value to these carried forward tax losses or other components of the deferred tax assets for the purposes of our assessment as substantially all of the carried forward tax losses reported as at the date of this report and the majority of the deferred tax assets relating to timing differences were considered in our fair valuation of the GoGetta business where it has been assumed that no tax will become payable as part of the run-off.
- Further, we understand that Silver Chef has a franking credit account balance of \$29.4 million as at 30 June 2018. This would result in an additional value to certain acquirers, however, we have not included the value of these franking credits in our fair value considering the uncertainty around future quantum and timing of franking credit utilisation and also the ability of shareholders to utilise the franking credits.

We have considered the fair value of Silver Chef's equity to be in the range of \$35.2 million to \$44.2 million. Our valuation assumes that the capital constraints currently being faced by Silver Chef are resolved in conjunction with the Proposed Scheme (i.e. Silver Chef is no longer capital constrained).

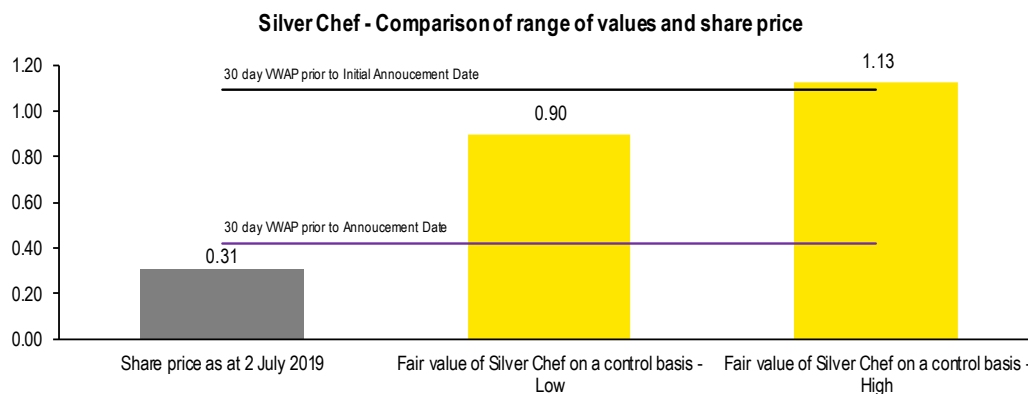
Given the valuation methods applied, this assessment represents the value of Silver Chef on a 100% interest basis, which by definition includes a control premium.

6.8 Valuation cross check

We have considered the reasonableness of our valuation using Silver Chef's share price prior to the announcement.

6.8.1 Share price

In addition to trading and transaction multiples of comparable companies, we have compared our valuation range of a Silver Chef Share to its traded share price as at 2 July 2019, prior to the Announcement Date.



Source: Ernst & Young Transaction Advisory Services Limited analysis

In relation to the chart above, we note:

- ▶ Silver Chef's actual share price the day before the announcement (which is assumed to be on a non-controlling basis) is below our assessed value range (on a controlling interest basis). We consider that the Silver Chef's share price likely reflected the significant uncertainty around the Proposed Scheme and continued support of Silver Chef's financiers.
- ▶ The high end of our range is higher than the three months VWAP prior to the Announcement Date (of \$0.67 per share), and the one month VWAP (of \$0.42 per share).
- ▶ Our valuation range reflects a premium to the recent VWAP and closing prices prior to the Announcement Date. However, our valuation range reflects the discounts to the VWAP and closing prices prior to the Initial Announcement Date. The trading price of Silver Chef declined between the Initial Announcement Date and Announcement date which reflect the continued financial difficulties faced by the Company and significant uncertainty around the continued support of Silver Chef's financiers.

6.8.2 Price to book value cross check

In addition to the share price, we have also cross checked our valuation range based on the price to net tangible assets multiple as at the Announcement Date. The table below shows the implied price to net tangible asset multiples for Silver Chef based on our assessed valuation range.

Implied price to book multiple			
\$ million	Ref	Low	High
Silver Chef's net asset as at 31 December 2018	Section 4.4.2	86.0	86.0
Value of Silver Chef Shares on a controlling interest basis	Section 6.7	35.2	44.2
Net tangible assets multiple		0.4x	0.5x

Source: Ernst & Young Transaction Advisory Services Limited analysis

Attachment A

Independent Expert's Report



The price to net tangible assets multiples calculated for selected comparable listed companies are shown in the table below.

Trading multiples				
Company	Country	LTM	Marketcap (\$m)	LTM P/NTA multiple
Silver Chef Limited	Australia	31-Dec-18	27.9	0.3x
Aksesstoday Limited	Australia	30-Jun-18	105.9	1.7x
FlexiGroup Limited	Australia	31-Dec-18	741.5	3.2x
Thorn Group Limited	Australia	30-Sep-18	40.3	0.2x
Chesswood Group Limited	Canada	31-Dec-18	160.2	1.5x
Marlin Business Services Corp.	United States	31-Dec-18	280.6	1.5x
Rent-A-Center, Inc.	United States	31-Dec-18	1,440.2	6.3x
CML Group Limited	Australia	31-Dec-18	94.6	3.6x
Accord Financial Corp.	Canada	31-Dec-18	77.7	1.1x
High (Excluding outliers)				3.6x
Mean (Excluding outliers)				1.9x
Median (Excluding outliers)				1.5x
Low (Excluding outliers)				0.2x

Source: Ernst & Young Transaction Advisory Services Limited analysis

In comparing the implied multiples with those of comparable companies, we note that the multiples implied by our valuation range are below the average and median of comparable companies which reflects the significant losses incurred by Silver Chef. However, our valuation range implies a premium to Silver Chef's LTM multiple as at the Announcement Date.

6.9 Value of Scheme Consideration

As discussed throughout the report, the Scheme Consideration includes the Cash Scheme Consideration of \$0.70 per Silver Chef Share as well as the Contingent Value Note.

The Contingent Value Notes, as described in the Scheme Booklet represent 50% of the cash proceeds above \$10 million that is recouped by Silver Chef in running down the GoGetta Business, net of all outgoings and claims including contingent costs incurred, calculated as at the Determination Date of 30 June 2021.

6.9.1 Contingent Value Notes

In order to estimate the value of the Contingent Value Notes we:

- ▶ Considered the cash flow forecast of the GoGetta business in run-off as discussed in Section 6.4 adjusted for ASIC payment in the range of \$5.8 million to \$7.8 million as discussed in Section 6.5;
- ▶ Assumed that the cash flows are received as at the Determination Date of 30 June 2021 rather than as received;
- ▶ Deducted \$10 million from the GoGetta fair value;
- ▶ Multiply this result by 50%; and
- ▶ Multiply by one minus the number of Retained Shares divided by the aggregated number of Scheme Shares at the Record Date by the number of Contingent Value Notes.

The calculation and concluded value considering the above is outlined below:

GoGetta			
\$ million	Ref	Low	High
Value of GoGetta ¹	Section 6.4	12.6	15.0
Threshold	Section 6.9.1	(10.0)	(10.0)
Excess		2.6	5.0
Distribution share	Section 6.9.1	50%	50%
Contingent Value Notes Value		1.3	2.5
Number of shares	Section 6.6	39	39
Value per Contingent Value Notes (\$ per share)		0.03	0.06

Notes:

1. The difference in the value of GoGetta between the fair value noted in Section 6.4 and in this table is due to the distribution date and adjustment for ASIC payment. The fair value assumes that cash flows are distributed as they are available and ASIC liability is considered separately whereas for Contingent Value Note we have assumed that cash flows are distributed on 30 June 2021 in line with the Scheme Booklet and those have been adjusted for ASIC payment in the range of \$5.8 million to \$7.8 million.

The resultant value range for the Contingent Value Notes is \$1.3 million to \$2.5 million.

Value of Scheme Consideration

Based on the above, the value of Scheme Consideration is shown in the table below:

Value of Scheme Consideration			
	Ref	Low	High
Cash consideration (\$/share)		0.70	0.70
Value of Contingent Value Notes (\$/share)	Section 6.9.1	0.03	0.06
Value of Scheme Consideration (\$/share)		0.73	0.76

Source: Ernst & Young Transaction Advisory Services Limited analysis

Attachment A

Independent Expert's Report



7. Evaluation of the Proposed Scheme

7.1 Overview

In forming our opinion as to whether the Proposed Scheme is in the best interests of Silver Chef Shareholders, we have considered a number of factors including:

- ▶ whether the estimated value of a Silver Chef Share, on a controlling interest basis, is higher or lower than the fair value of the Scheme Consideration that will be received by Scheme Shareholders in the event that the Proposed Scheme is approved and implemented;
- ▶ the price at which Silver Chef Shares are proposed to be acquired relative to the listed market price of Silver Chef Shares prior to the Announcement Date, and whether a premium for control is being paid and is appropriate in the circumstances;
- ▶ the existence of alternatives to the Proposed Scheme and the consequences for Silver Chef Shareholders;
- ▶ the position of the Founder Shareholders;
- ▶ the likelihood of an alternative superior proposal being received;
- ▶ the likely market price of Silver Chef Shares in the event that the Proposed Scheme is not approved; and
- ▶ the advantages and disadvantages relevant to Silver Chef Shareholders of the Proposed Scheme.

7.2 Fairness

In determining whether the Proposed Scheme is fair, we have compared the assessed fair value of a Silver Chef Share on a controlling interest basis, with the Scheme Consideration to be received by Scheme Shareholders under the terms of the Proposed Scheme, in the event that it is approved and implemented. The following table summarises this comparison:

Evaluation of the fairness of the Proposed Scheme			
\$/share	Ref	Low	High
Value of a Silver Chef Share on a controlling basis	Section 6.7	0.90	1.13
Value of the Scheme Consideration	Section 6.9	0.73	0.76

Source: Ernst & Young Transaction Advisory Services Limited analysis

The assessed value of a Silver Chef Share on a controlling basis is between \$0.90 and \$1.13 per share. The value of the Scheme Consideration is between \$0.73 and \$0.76 per share, on a fully diluted basis. As the range of Scheme Consideration is below the range of a Silver Chef Share on a controlling basis we consider the Proposed Scheme to be not fair.

To the extent that the Founder Shareholders elect to retain their shares in Silver Chef we consider this in the Other relevant factors section below.

It should be noted that the analysis above was performed based on information that was current as at 29 July 2019.

As explained in Section 6, our assessed fair value of the Scheme Consideration has been based on a combination of approaches. We have primarily used the capitalised earnings approach for the Hospitality business and used the DCF method for GoGetta. We have conducted cross checks based on the implied price to NTA multiples and share price prior to the Announcement Date.

7.3 Reasonableness and best interests

As the Scheme Consideration and the fair value of the retained Founder Shares is below the range of assessed values of a Silver Chef Share, we consider the Proposed Scheme to be not fair. Under the guidance provided by RG 111, as we are not able to conclude that the terms of the Proposed Scheme are fair we must consider if the terms of the Proposed Scheme are reasonable and in the best interests of Silver Chef Shareholders.

7.4 Other considerations

In assessing whether or not the Proposed Scheme is reasonable, we have had regard to the commercial and qualitative factors. While individual shareholders may interpret these factors differently depending on their own individual circumstances, in our opinion the potential advantages outweigh the potential disadvantages to the Scheme Shareholders as a whole.

The factors considered that impacted upon our conclusion that the Proposed Scheme is in the best interests of the Shareholders of Silver Chef are summarised below.

7.4.1 Advantages

7.4.1.1 *Financial position of Silver Chef and limited options available to the Company*

Silver Chef has been in breach of its debt covenants over an extended period since July 2018 and has been operating throughout this period with the support from its financiers. Silver Chef sought and received waivers in relation to the debt covenant breach until 30 April 2019 which was conditional on the successful raising of a minimum capital requirement of \$45 million to repay the SF and ensure that the net debt to net rental asset ratio under the SF was no greater than 65% by 30 April 2019. A condition of the waiver was that Silver Chef fund its growth via operating cash flows and cash reserves during the waiver period which had a material impact on 1H19 results and is expected to continue to have a material adverse impact on FY19 and the FY20 outlook.

Further, the Company required financier consent for distributions to be received from the SWF and a further condition that all asset sell-ins to the SWF required SF lender consent. These SF and SWF conditions affected the near term financial outlook for the Company and along with the reduction in share price, this has significantly increased difficulty of raising the necessary capital required.

Silver Chef explored a number of options to recapitalise the Company and the initial preferred option was to seek offers for subordinated debt and appointed Ironstone Capital to run the process. Silver Chef also engaged with several private equity firms about a potential take private option to recapitalise the Company on a basis agreed with Silver Chef's financiers. During this process the Silver Chef board appointed an independent board committee to consider take private and the subordinated debt proposals. The committee did not include Mr Allan English given his substantial shareholding in the Company and the potential for a conflict of interest to arise in those decisions.

The above process resulted in Silver Chef entering into an Exclusivity Agreement with a preferred private equity partner and a preferred sub-debt party in January 2019. However, the sub-debt proposal lapsed as advised to the market on 23 May 2019. At this point, discussions around a potential capital raising solution continued but proved to be unfeasible.

On 11 April 2019, Silver Chef announced it had received an indicative, conditional, non-binding offer of \$1.00 per share and one Contingent Value Note from Next Capital who was undertaking due diligence under an Exclusivity Agreement. This Exclusivity Agreement was extended on several occasions as Next Capital and the Company's financiers continued their discussions in order to reach an agreement on terms of the recapitalisation.

On 2 July 2019, the Bidder revised its indicative, conditional, non-binding offer to \$0.70 per share and one Contingent Value Note per share post completion of its due diligence and negotiations with Silver Chef's financiers. This was announced to the market on 3 July 2019. This offer represents the result of extensive negotiations with the Bidder and Silver Chef's financiers and takes into account the future prospects of Silver Chef in a constrained funding environment and the urgent need to cure the covenant breaches to ensure the ongoing support of the Company's financiers.

Attachment A

Independent Expert's Report



Given the current financial situation of Silver Chef and the covenant breaches discussed above, the Proposed Scheme provides an ability for Silver Chef Shareholders to realise value, as in the absence of the Proposed Scheme, existing waivers would need to be further extended or waived, and there is no guarantee that the financiers would continue to be supportive.

7.4.1.2 Scheme Shareholders are receiving a premium to the price of Silver Chef Shares prior to the Announcement Date

The Proposed Scheme provides the Scheme Shareholders with the opportunity to realise value for their shares in excess of the price at which they traded shortly prior to the Announcement Date on 2 July 2019. While we note that the value to be received is less than the Initial Announcement Offer of \$1.00 and trading prices prior to the Initial Announcement Date of 11 April 2019 (e.g. trading price prior to the Initial Announcement Date of \$0.86 and 30 day VWAP prior to the Initial Announcement Date of \$1.09 given the covenant breaches and capital constraints facing the Company which are discussed throughout the report there is no certainty that those earlier prices could be realised in the absence of the Proposed Scheme proceeding. In addition, in the absence of a transaction involving the acquisition of 100% of Silver Chef Shares, or a similar form of control transaction, Scheme Shareholders may be unable to realise a control premium above the minority interest value. Further, we note that Silver Chef remains in breach of its covenants in respect of its banking facilities as at the Announcement Date and future support from Silver Chef's financiers cannot be assured.

The table below sets out a comparison of our assessed value of the Scheme Consideration to the last traded price of Silver Chef Shares of \$0.31 per share on 2 July 2019, being the day prior to the Announcement Date, and the 30-day volume weighted average price ("VWAP") of \$0.42 per share prior to the Announcement Date.

Comparison of our assessed value of the Scheme Consideration with the traded share price of Silver Chef		
\$ per share	Low	High
Value of Scheme Consideration	0.73	0.76
Share price on 2 July 2019 (one day prior to the Announcement Date)	0.31	0.31
30 day VWAP (prior to the Announcement Date)	0.42	0.42
Premium/(discount) to the Silver Chef share price immediately prior to the announcement	137%	146%
Premium/(discount) to the Silver Chef 30 day VWAP prior to the announcement	75%	82%
Share price on 10 April 2019 (one day prior to the Initial Announcement Date)	0.86	0.86
30 day VWAP (prior to the Initial Announcement Date)	1.09	1.09
Premium/(discount) to the Silver Chef share price immediately prior to the Initial Announcement Date	(15%)	(11%)
Premium/(discount) to the Silver Chef 30 day VWAP prior to the Initial Announcement Date	(33%)	(30%)

Source: Ernst & Young Transaction Advisory Services Limited analysis

We have presented above an assessment of the premium implicit discount in the Scheme Consideration based on the relationship between the value of the Scheme Consideration at the date of this report to the trading prices of a Silver Chef Share prior to the announcement of the Proposed Scheme.

We note that the Scheme Consideration represents a premium of 137% to 146% compared to the share price immediately prior to the Announcement Date and a premium of 75% to 82% compared to Silver Chef's 30-day VWAP prior to the Announcement Date. We note that share price of Silver Chef has been volatile in recent times principally due to the capital constrained position of Silver Chef and continued covenant breach. A comparison of the value of the Scheme Consideration with share prices prior to the Initial Announcement Date reflects a discount of 11% to 15% compared to Silver Chef's share price immediately prior to the Initial Announcement Date of \$0.86 per share and a discount of 30% to 33% compared to Silver Chef's 30-day VWAP prior to the Initial Announcement Date of \$1.09 per share.

7.4.1.3 Timing and value certainty of cash

The Scheme provides all Scheme Shareholders the opportunity to sell their shares for cash at a price which is substantially certain (other than the minor CVN) and at a premium to the trading price of Silver Chef Shares on the ASX prior to the Announcement Date.

7.4.1.4 No transaction costs

The Scheme provides Scheme Shareholders with the opportunity to sell their shares at a price which is substantially certain (other than the minor CVN) and free from transaction costs.

7.4.1.5 Alternative proposal

The independent directors of Silver Chef have advised that since the announcement of the Proposed Scheme, no superior proposal has emerged. As discussed in Section 2.2 of the Scheme Booklet, Silver Chef's board and management have considered and pursued a number of options, including a run-down of the hospitality business before arriving at the Proposed Scheme.

In addition, the terms of the Scheme Implementation Agreement prevent Silver Chef from actively seeking alternative proposals. This factor may reduce the likelihood of any superior proposals emerging.

7.4.2 Disadvantages

7.4.2.1 Costs associated with the Proposed Scheme

In certain circumstances, Silver Chef may be obligated to pay a \$1.18 million break fee to Next Capital. These circumstances include:

- ▶ Silver Chef entering into a competing proposal or any Independent Director changing their recommendation or withdrawing an earlier recommendation; or
- ▶ if the Bidder validly terminates the Scheme Implementation Agreement for:
 - a Target Prescribed Event, Material Adverse Effect (to the extent caused by a deliberate act or omission of Silver Chef or a failure by Silver Chef to take reasonable steps to prevent the relevant matter);
 - change or withdrawal of recommendation by an Independent Director; or
 - a material breach by Silver Chef of the Scheme Implementation Agreement.

The circumstances in which a break fee is payable is set out in clause 11 of the Scheme Implementation Agreement.

7.4.2.2 Scheme Shareholders will no longer continue to participate in possible future increases in the value of Silver Chef

If the Scheme is implemented, Scheme Shareholders will no longer hold Silver Chef Shares and therefore will not participate in any future potential upside that may result from being a Silver Chef Shareholder.

Attachment A

Independent Expert's Report



7.5 Other relevant factors

7.5.1.1 Position of the Founder Shareholders

Each Founder Shareholder under the terms of the Scheme Implementation Agreement may either:

- ▶ Not elect to retain their Silver Chef shares: In the event that these entities do not elect to retain their Silver Chef shares then they will participate in the Proposed Scheme on the same basis as the Scheme Shareholders; that is they will dispose of their shares and in return receive \$0.70 per Silver Chef Share and one CVN per Silver Chef Share. Each Founder Shareholder must elect in respect of either all or none of its Silver Chef Shares however individual entities may make different elections.
- ▶ Elect to retain their Silver Chef shares: In the event that entities elect to retain their shares then their treatment under the Proposed Scheme will be different to other shareholders. They will continue to hold their existing Silver Chef Shares and will not receive the cash consideration or any CVN.

Founder Shareholders who validly elect to retain their shares will continue to hold their investment in Silver Chef however those shares will no longer be listed on the ASX and they will be investing alongside the Next Capital Consortium. It is estimated that these entities would own 22.60% of Silver Chef based on its current capital structure prior to the Proposed Scheme if all of the entities associated with Mr Allan English elected to retain their Silver Chef Shares. However, immediately following implementation of the Proposed Scheme the shares held by the Founder Shareholders will be diluted as part of the recapitalisation (discussed further below).

As remaining Founder Shareholders will continue to enjoy the benefits of ownership and bear the risks of ownership of Silver Chef Shares, their ultimate return will depend on the future performance of the Company, dividends that may be received in the future (if any) and the proceeds that they may receive when their Shares are ultimately sold.

In Section 6 we assessed the value of a Silver Chef share to be in the range of \$0.90 to \$1.13 on a control basis which exceeded the value of the Scheme Consideration of between \$0.73 and \$0.76. In effect this means that if the Proposed Scheme is approved and implemented, shareholders (other than Founder Shareholders who make a valid election to retain their shares) are disposing of their shares for less than our assessed fair value of those shares.

In contrast the Founder Shareholders who elect to retain their shares will continue to hold their Silver Chef shares in the Company that we have valued at the higher amount of \$0.90 to \$1.13 on a control basis. However, it is important to note that immediately following implementation of the Proposed Scheme the shares held by the Founder Shareholders will be diluted as part of the recapitalisation. The recapitalisation will raise \$47.8 million and will involve the issue of 68.3 million shares (in aggregate) to the Bidder Entities at a price of \$0.70 per share. The Founder Shareholders will not be able to participate in this initial equity issue resulting in Founder Shareholders being diluted from a maximum of 22.60% to 8.25% of issued shares (as set out in Section 6.5 of the Scheme Booklet) with control in effect residing with the Next Capital Consortium. In addition, the shares will not be listed on the ASX and therefore will have reduced marketability compared to when they were listed on the ASX. We understand that under the Shareholders' Deed which will govern the rights and obligations of shareholders of Silver Chef following implementation, there is no compulsory buy-out rights of the Bidder entities. In addition, we understand that the compulsory acquisition rights under the Corporations Act will not have application post implementation of the Proposed Scheme. The key terms of the Shareholders' Deed are set out in 6.4 of the Scheme Booklet. These key terms of the Shareholders' Deed include:

- ▶ The Founder Shareholders may appoint 1 Director provided that the Founder Shareholders (in aggregate) hold more than 6.5% of the Shares on issue at that time.
- ▶ Shareholders holding at least 6.5% will have certain limited rights in respect to matters requiring "Special Shareholder Approval".
- ▶ Any new share issue during the 18-month period following implementation must be issued at an issue price of \$0.70 per share. Share issues (except for the initial equity injection and share issues under certain other circumstances) will be subject to a pre-emptive rights regime.

- ▶ No Shareholder may dispose of its securities without the approval of the majority shareholder (any shareholder (or shareholder group) who holds at least 51% of the Silver Chef shares) ("Majority Shareholder"), being (to be granted in its absolute discretion), except for in certain circumstances.
- ▶ Minority shareholders have a right to tag along on sale if a Majority Shareholder sells more than 50% of its securities but the minority shareholder is only allowed to tag along on a proportionate basis.
- ▶ Majority Shareholders can drag minority shareholders where the Majority Shareholder wish to sell more than 50% of its shares.
- ▶ Majority Shareholders can initiate an Exit Event (IPO, Share Sale, Business sale or winding up) following which all shareholders must take all steps to ensure such Exit Event is affected as soon as possible.
- ▶ A Shareholder may be required to sell their shareholding on certain events of default occurring.

We set out below the position of the Founder Shareholders under either the election or no election scenario before considering any discounts for lack of control or marketability which are discussed further below.

Position of the Founder Shareholders			
\$ million	Ref	Low	High
Fair value of equity	Section 6.7	35.2	44.2
Recapitalisation - Equity Injection	Section 7.5	47.8	47.8
Contingent Loan Note liability	Section 6.9	(1.3)	(2.5)
Fair value of equity - post recapitalisation		81.7	89.5
Number of shares on issue - Pre- recapitalisation (million)	Section 6.6	39.3	39.3
New Shares issued as part of recapitalisation (million)	Section 7.5	68.3	68.3
Number of shares on issue (million) - post recapitalisation		107.6	107.6
Fair value of a Silver Chef Share on a control basis (\$) post recapitalisation (pre-discounts)		0.76	0.83

Source: Ernst & Young Transaction Advisory Services Limited analysis

The above table sets out the value of the Founder Shareholders on a controlling basis if they elect to retain all of their shares in the Company. We note however, a controlling interest valuation generally implies a shareholding and rights of 51% or greater, and that the shares are marketable. However, as set out above, the Founder Shareholders post recapitalisation will be diluted to a maximum 8.25% interest in the equity of the Company (assuming all Founder Shareholders elect to retain their Shares) and therefore would hold a minority interest in the Company with a number of limitations as part of the Shareholders' Deed discussed above. In particular, these include that the Founder Shareholders have no control over any exit, will hold shares in a private company, have the potential for further dilution if additional equity is contributed and the shares will be subject to a security interest by the financiers in some events as outlined in section 6.4 of the Scheme Booklet. All these factors indicate that the fair value of the Founder Shares would be materially lower than as indicated above.

Discount for lack of control and marketability

As set out in Section 6.3.2.2 we note that the average control premium on successful takeovers in Australia have been in the range of 20% to 40%. Based on the midpoint of the control premium range (i.e. 30%) this equates to a discount for lack of control of c.23%. Given that the Founder Shareholders would, if total Founder Shares exceed 6.5% of the shares on issue at that time, have the ability to appoint one Director, will have access to Company information and certain limited rights to block special resolutions, and as any exit would likely be on a controlling basis, we do not view it as appropriate to apply a full discount for lack of control. Further, given the rights and restrictions set out in the Shareholders' Deed a discount for lack of marketability would also apply.

Marketability can be broadly defined as the ability to convert the business ownership interest to cash quickly, with minimal transaction and administration costs, and with a high degree of certainty of realising the expected amount

Attachment A

Independent Expert's Report



of net proceeds. All other things being equal, an investment is worth more if it is readily marketable or, conversely, worth less if it is not.

Two general types of empirical studies provide evidence for the existence and magnitude of the discount for lack of marketability. These are:

- ▶ Restricted stock studies, which compare the trading prices of a company's publicly held stock sold on the open market with those of unregistered or restricted shares of the same company sold in private transactions.
- ▶ Pre-IPO studies, which examine the prices of transactions while the company was still private, compared to the eventual IPO price to estimate the discount which was applied to the company when it was private for its lack of marketability.

Studies including those performed by Aswath Damodaran using data over 2003 to 2005⁷ and Shannon Pratt using data over 2000 to 2003⁸ indicate that a range of marketability discounts may be in the order of 35% to 50%. Emory and Williamette Studies⁹ covering hundreds of transactions (relating to private transaction prices compared to public offering prices and market prices following IPOs) spanning over 20 years showed that the average difference between private transaction and public market prices ranged from 40% to 63%.

The assessment of the applicable discount is largely dependent on the circumstances in each case, and can also vary by type of asset. Furthermore, the terms of any shareholder agreement in place are critical in considering this issue.

With any asset, the lack of marketability discount is a function of the perceived number of potential buyers for the asset and the ease with which that asset can be sold. The factors that determine the applicability and quantum of any discount for lack of marketability include:

- ▶ Size of the shareholding.
- ▶ The existence of any form of market in which the shareholding could be traded.
- ▶ The prospects for the shares to become readily marketable/more marketable or any restrictions on trading to be lifted. The stated intention of management with respect to a trade sale, initial public offering or any form of exit should also be considered.
- ▶ The impact of any provisions (such as restrictions on transfer) in the constitution of the company and the terms of any shareholders agreements.
- ▶ The size of the capital market in which the entity operates and the size of the company in question.
- ▶ The likelihood of dividends.
- ▶ The financial health and cash flows of the company.
- ▶ The transaction and administration costs associated with trading the shares.
- ▶ The degree of risk concerning the actual price that will be realised relative to the estimated price.

Based on the factors relevant to discounts for lack of control and marketability, we view an appropriate combined discount range of 15% to 25% would be likely in arriving at the fair value of the Founder Shares (if they elect to retain their shares). This would indicate a fair value range as set out below.

⁷ Aswath Damodaran - Marketability and Value: Measuring the Illiquidity Discount (2003 - 2005)

⁸ Shannon Pratt - Business Valuation Discounts and Premiums

⁹ Emory and Williamette Studies

Position of the Founder Shareholders			
	Ref	Low	High
Founder Shares fair value (post recapitalisation) - (\$ per share) (pre-discount)	Section 7.5	0.76	0.83
Discount for lack of control and lack of marketability		25.0%	15.0%
Founder Shares consideration if no election is made under Proposed Scheme (\$ per share)	Section 6.9	0.73	0.76
Founder Shares fair value (post recapitalisation) - (\$ per share) (post discount)		0.57	0.71
Minimum discount if elect to retain shares with consideration for lack of control and marketability		(22.3%)	(7.4%)

Source: Ernst & Young Transaction Advisory Services Limited analysis

As set out above, if the Founder Shareholders elect to retain all of their shares in the Company based on our analysis, the result may be 7.4% to 22.3% lower than if they do not elect and instead receive the Scheme Consideration.

7.5.1.2 If the Proposed Scheme is not approved the Silver Chef share price may fall below current trading levels

If the Proposed Scheme is not approved, and in the absence of an alternative transaction, Silver Chef will continue to operate in its current form and be listed on the ASX. As a consequence:

- ▶ Scheme Shareholders would continue to own shares in Silver Chef but will not receive any Scheme Consideration.
- ▶ If the Proposed Scheme does not proceed, and in the absence of an alternative superior proposal, Silver Chef will continue to operate in its current form and be listed on the ASX. As a consequence, Silver Chef shareholders will maintain ownership of Silver Chef shares. In these circumstances there is a risk that the price of Silver Chef shares may fall back towards levels experienced prior to the offer from the Bidder, as the share price since then has arguably been reflective of some premium for control or merger synergies. In addition, in the absence of an alternative transaction the Company's breaches of its banking arrangements will require the continued support of the Company's financiers which cannot be assured.

7.5.1.3 Tax consequences

There may be certain tax implications for individual Silver Chef Shareholders in connection with the Proposed Scheme if it is approved and implemented. The exact nature and impact is uncertain and will depend on the profile of each Silver Chef Shareholder. These specific consequences need to be borne in mind by each Silver Chef Shareholder in weighing up the merits of the Proposed Scheme.

7.6 Conclusion

In our view, the potential advantages of the Proposed Scheme outweigh the potential disadvantages to the Silver Chef Shareholders as a whole. Based on the analysis summarised above and detailed throughout this report, in our opinion, the Proposed Scheme is not fair but reasonable to the Silver Chef Shareholders and in our opinion, it is in the best interests of Silver Chef Shareholders.

Attachment A

Independent Expert's Report



Appendix A Statement of qualifications and declarations

Ernst & Young Transaction Advisory Services Limited, which is wholly owned by Ernst & Young, holds an Australian Financial Services Licence under the Act and its representatives are qualified to provide this report. The directors of Ernst & Young Transaction Advisory Services Limited responsible for this report have not provided financial advice to Silver Chef.

Prior to accepting this engagement, we considered our independence with respect to Silver Chef and the Bidder with reference to RG 112. In our opinion, we are independent of Silver Chef and the Bidder. Ernst & Young Transaction Advisory Services Limited, Ernst & Young, and global affiliations, have not provided any services to Silver Chef or Next Capital in relation to the Proposed Scheme.

Ernst & Young has however previously provided professional services to both Silver Chef and the Bidder, and subsidiaries thereof. These services included the provision of tax and financial modelling advice in respect of matters not related to the Proposed Scheme.

This report has been prepared specifically for Silver Chef Shareholders in relation to the Proposed Scheme. Neither Ernst & Young Transaction Advisory Services Limited, Ernst & Young and any employee thereof undertakes responsibility to any person, other than Silver Chef Shareholders, in respect of this report, including any errors or omissions howsoever caused.

The statements and opinions given in this report are given in good faith and the belief that such statements and opinions are not false or misleading. In the preparation of this report we have relied upon and considered information believed after due inquiry to be reliable and accurate. We have no reason to believe that any information supplied to us was false or that any material information has been withheld from us. We have evaluated the information provided to us by Silver Chef, its advisors, as well as other parties, through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base our report. We do not imply and it should not be construed that we have audited or in any way verified any of the information provided to us, or that our inquiries could have verified any matter which a more extensive examination might disclose.

The information relied upon in the preparation of this report is set out in Appendix F to this report.

Silver Chef has provided an indemnity to us for any claims arising out of any mis-statement or omission in any material or information provided to it in the preparation of this report.

We provided draft copies of this report to Silver Chef and Next Capital for comments as to factual accuracy, as opposed to opinions, which are the responsibility of us alone. Changes made to this report as a result of this review by the Directors and Management of Silver Chef have not changed the methodology or conclusions reached by us.

We will receive a professional fee based on time spent in the preparation of this report estimated at approximately \$132,000 (inclusive of GST). We will not be entitled to any other pecuniary or other benefit whether direct or indirect, in connection with the making of this report.

Mr Stuart Bright, a director and representative of Ernst & Young Transaction Advisory Services Limited and a partner of Ernst & Young and Julie Wolstenholme a director and representative of Ernst & Young Transaction Advisory Services Limited and a partner of Ernst & Young have assumed overall responsibility for this report. Both have the necessary experience and professional qualifications appropriate to the advice being offered. Other staff have been consulted in the preparation of this report.

It is not intended that the report should be used for any other purpose other than to be included in the Scheme Booklet to be sent to Silver Chef Shareholders with respect to the Proposed Scheme. In particular, it is not intended that this report should be used for any other purpose other than as an expression of our opinion as to whether or not the Proposed Scheme is in the best interests of Silver Chef Shareholders.

We consent to the issue of this report in the form and context in which it is included in the Scheme Booklet.

Appendix B Valuation methodologies

Most valuation approaches can be categorised under one or more of the following broad approaches:

- ▶ The income approach under which an asset is valued as the present value of the future net economic benefits that are expected to accrue to the owner from the use or sale of the asset.
- ▶ The market approach under which an asset is valued by reference to evidence (if any) of prices obtained in sales of interests in the asset that is the subject of the valuation, or by reference to the value of comparable assets related to some common variable such as earnings, cash flow or revenue.
- ▶ The cost approach under which an asset is valued by reference to its historical cost or replacement cost.

Each of these approaches is appropriate in certain circumstances. The decision as to which approach and methodology to utilise generally depends on the availability of appropriate information and type of business.

Income approach

The most common methodology within the income approach is the DCF methodology. The DCF methodology involves calculating the net present value of cash flows that are expected to be derived from future activities. The forecast cash flows are discounted by a rate that reflects the time value of money and the risk inherent in the cash flows.

This methodology is particularly appropriate in valuing projects, businesses and companies that are in a start-up phase and are expecting considerable volatility and/or growth in earnings during the growth phase, as well as businesses with a finite life. The utilisation of this methodology generally requires management to be able to provide long term cash flows for the company, asset or business.

Market approach

The main methodology within the market approach is the capitalisation of earnings methodology. This involves capitalising the earnings of a business at an appropriate multiple, which reflects the risks underlying the earnings together with growth prospects. This methodology requires consideration of the following factors:

- ▶ Estimation of normalised earnings having regard to historical and forecast operating results, abnormal or non-recurring items of income and expenditure and other factors. The normalised earnings are generally based on net profit after tax, EBIT, EBITA or EBITDA.
- ▶ Determination of an appropriate earnings multiple reflecting the risks inherent in the business, growth prospects and other factors. Multiples may be derived from listed comparable trading companies as well as implied from recent acquisitions of similar companies.
- ▶ Earnings multiples applied to net profit after tax are known as price earnings multiples and are commonly used in relation to listed public companies. Earnings multiples applied to EBIT, EBITA or EBITDA are known, respectively, as EBIT, EBITA or EBITDA multiples, and are commonly used in respect of companies comprising a number of businesses where debt cannot be precisely allocated or in acquisition scenarios where the purchaser is likely to influence the capital structure.
- ▶ An adjustment for financial debt, in the event that maintainable earnings are based on EBIT, EBITA or EBITDA.
- ▶ An assessment of any surplus assets and liabilities, being those which are not essential to the generation of the future maintainable earnings.

This methodology is appropriate where a company or business is expected to generate a relatively stable record of earnings.

Attachment A

Independent Expert's Report



Cost approach

The main method within the cost approach is the net realisable value of assets methodology. This involves the determination of the net realisable value of the assets of a business or company, assuming an orderly realisation of those assets. This value includes a discount to allow for the time value of money and for reasonable costs of undertaking the realisation. It is not a valuation on the basis of a forced sale, where assets may be sold at values materially different to their fair value.

This methodology is appropriate for asset intensive businesses, or where a business does not generate an adequate return on its assets.

Appendix C Determination of discount rate

Our DCF valuation of GoGetta has been performed on the basis that the cash flows are prepared on a nominal, geared and post-tax basis in Australian dollars.

To calculate the net present value of the cash flows we have assessed the appropriate cost of equity discount rate. Specifically, we have given consideration to the capital asset pricing model ("CAPM"), a model used for estimating the rate of return required by an equity investor on a given investment.

Under CAPM, the required rate of return on equity (R_e) is calculated as follows:

$$R_e = R_f + \beta_e \times (R_m - R_f) + R_s$$

Where:

R_e - rate of return on equity

R_f - risk free rate of return

β_e - expected equity beta of the investment

R_m - expected rate of return on the market portfolio of risky investments

$(R_m - R_f)$ - excess return of the market over the risk-free rate, or the market risk premium

R_s - specific risk premium

We have adopted the following assumptions in determining the appropriate discount rate to apply to the GoGetta DCF.

Risk-free rate

The 10-year government bond market is a widely adopted proxy for the risk-free rate in Australia. The 10-year Australian Commonwealth Government bond yield as at 29 July 2019, was approximately 1.21%.

The 10 year Australian government bond rate remains historically low, impacted by a number of factors including reduced growth expectations and increased investor demand for lower risk assets. Whilst we continue to monitor the movement in bond yields, in our view the current yields are unlikely to be maintained in the long term and are not necessarily reflective of a long term risk free rate for estimating an appropriate cost of equity. In response, many valuers have either used a normalised risk free rate, increased their estimates of the market risk premium or have included an additional risk factor in their calculations of the cost of equity. The most common approach we have observed in Australia has been for valuers to include or increase an additional risk premium (often referred to as a specific risk premium or alpha) to ensure the overall discount rate determined by CAPM is considered to be appropriate for the asset subject to the valuation. We have included an additional non-asset specific risk premium of 2.54% for Australia, resulting in a normalised risk free rate of 3.75%.

Market risk premium

The market risk premium ($R_m - R_f$) represents the additional return an investor expects to receive to compensate for additional risk associated with investing in equities as opposed to assets on which a risk-free rate of return is earned. Generally, most estimates fall within a range of approximately 4.0% to 8.0%. However, investor's expectations of the premium can change as the market fluctuates and perceptions of the riskiness of equities change.

We have adopted a market risk premium of 6.0% in calculating discount rates for this analysis.

Beta

The beta measures the expected relative risk of the equity in a company. The choice of the beta requires judgement and necessarily involves subjective assessment as it is subject to measurement issues and a high

Attachment A

Independent Expert's Report



degree of variation. In order to determine an appropriate beta to use for the valuation of GoGetta, we have considered the observed betas of broadly comparable companies.

Beta can be expressed as an equity beta, which includes the effect of gearing on equity returns, and as an asset beta, which removes the impact of gearing. The asset beta will be lower than the equity beta for any given investment, with the extent of the difference dependent on the level of debt in the capital structure. The greater the level of gearing, the greater is the risk faced by equity holders (as debt holders have a contractual right of return and so first claim on the operating income). Accordingly, for a given asset beta, the equity beta will increase as the level of gearing increases.

We used the following formula to undertake the de-gearing and re-gearing exercise:

$$\beta_e = \beta_a \left(1 + \frac{D}{E} (1 - t_c) \right)$$

Where:

β_e – the equity or geared beta

β_a – the ungeared beta

t_c – the statutory corporate tax rate

D/E - equals the market value of debt divided by the market value of equity capital

In assessing a range of betas, we selected a group of companies deemed comparable to Silver Chef, as detailed below.

We note that for many of the comparable companies, the data sourced for calculating the betas resulted in non-meaningful data. We have excluded any betas where the correlation was less than 0.04 as these betas are not meaningful. We have also excluded any betas where the measures for liquidity and / or free float were significantly low in comparison to the other broadly comparable companies as this is another indication that the betas may not be meaningful.

The table below summarises the beta information of the broadly comparable companies.

Beta analysis as at 29 July 2019								
Comparable company	4-yr monthly				5-yr monthly			
	Equity Beta	Net Debt/ Equity	Asset beta	R ²	Equity Beta	Net Debt/ Equity	Asset beta	R ²
Silver Chef Limited	(0.64)	110%	(0.36)	0.01	(0.15)	103%	(0.08)	0.00
Axsesstoday Limited	(0.03)	198%	(0.01)	0.00	(0.03)	198%	(0.01)	0.00
FlexiGroup Limited	1.87	230%	0.72	0.23	2.00	206%	0.82	0.31
Thorn Group Limited	0.10	205%	0.04	0.00	0.01	171%	0.00	0.00
Chesswood Group Limited	1.08	205%	0.45	0.15	0.79	182%	0.36	0.08
Marlin Business Services Corp.	0.85	4%	0.83	0.15	1.02	3%	1.00	0.16
Rent-A-Center, Inc.	0.52	91%	0.33	0.02	0.45	83%	0.29	0.01
CML Group Limited	1.09	172%	0.51	0.07	0.81	146%	0.42	0.05
Accord Financial Corp.	0.90	157%	0.43	0.43	0.83	144%	0.41	0.17
High		230%	0.83			206%	1.00	
Mean		153%	0.63			134%	0.65	
Median		188%	0.61			164%	0.62	
Low		4%	0.45			3%	0.36	

Source: S&P Capital IQ, Ernst & Young Transaction Advisory Services Limited analysis

Notes:

1. We have excluded any betas where the correlation was less than 0.04. These rows are highlighted in grey.
2. The equity beta's have been calculated over a four-year monthly or five-year monthly observation period, regressed against the company's local index.
3. Net debt is calculated as total debt less cash and cash equivalents averaged over a historical period (where available)

4. Where the net debt/equity ratio is negative, it is taken to equal nil and the asset beta has been taken to equal the equity beta

For the purposes of our analysis, we have adopted an asset beta of between 0.60 and 0.70. In selecting this range, we have considered the following:

- ▶ We note that of the companies with meaningful asset betas, FlexiGroup Limited is considered the most comparable to Silver Chef. We have therefore placed a higher emphasis on FlexiGroup Limited in our consideration of an appropriate asset beta.
- ▶ Observed betas for individual companies fall within a wide range and also vary depending on the data considered i.e. two years weekly or five years monthly.

Capital structure

In calculating the cost of equity, it is necessary to make an assumption regarding an optimal capital structure at which to gear the asset beta. Generally, the gearing level adopted should reflect the level of debt that can reasonably be sustained by any company operating in an industry, rather than actual gearing maintained by the current business owners.

In order to determine an appropriate capital structure, we have had regard to the capital structure of other broadly comparable companies operating in the asset financing industry. Accordingly, we have assumed a debt to equity ratio of between 80% and 100% as a proxy for the optimal gearing ratio for asset financing companies operating within the same markets as Silver Chef.

Specific risk premium

In order to calculate an appropriate cost of equity, it is necessary to make an assumption regarding the specific risks in the cash flow to which the discount rate is applied. As the cash flows are illustrative in nature and there is uncertainties around the timing and the recoverability of the GoGetta portfolio which is in run-off we have applied a specific risk premium of 2.0% in the cost of equity.

Cost of equity

On the basis of the above, we have adopted the following inputs in our calculation of the nominal post-tax cost of equity as shown in the table below. This results in a nominal post-tax cost of equity of between 11.0% and 13.0% (rounded).

Cost of equity		
Parameters	Low	High
Long term risk-free rate	3.75%	3.75%
Selected asset beta	0.60	0.70
Debt to equity market value	80.0%	100.0%
Income tax rate	30.0%	30.0%
Equity beta	0.94	1.19
Specific risk premium	2.0%	2.0%
Cost of equity	11.4%	12.9%
Cost of equity (rounded)	11.0%	13.0%

Source: Ernst & Young Transaction Advisory Services Limited analysis. S&P Capital IQ

Attachment A

Independent Expert's Report



Appendix D Comparable trading multiples

Trading multiples					
Company	Country	LTM	Marketcap (\$m)	LTM P/NPAT multiple	LTM P/NTA multiple
Silver Chef Limited	Australia	31-Dec-18	27.9	nmf	0.3x
Aksesstoday Limited	Australia	30-Jun-18	105.9	34.8x	1.7x
FlexiGroup Limited	Australia	31-Dec-18	741.5	8.1x	3.2x
Thorn Group Limited	Australia	30-Sep-18	40.3	4.1x	0.2x
Chesswood Group Limited	Canada	31-Dec-18	160.2	7.0x	1.5x
Marlin Business Services Corp.	United States	31-Dec-18	280.6	11.2x	1.5x
Rent-A-Center, Inc.	United States	31-Dec-18	1,440.2	169.6x	6.3x
CML Group Limited	Australia	31-Dec-18	94.6	16.1x	3.6x
Accord Financial Corp.	Canada	31-Dec-18	77.7	6.9x	1.1x
High (Excluding outliers)				16.1x	3.6x
Mean (Excluding outliers)				8.9x	1.9x
Median (Excluding outliers)				7.5x	1.5x
Low (Excluding outliers)				4.1x	0.2x

Source: Ernst & Young Transaction Advisory Services Limited analysis, S&P Capital IQ, Annual Reports

Notes:

1. Rows highlighted in grey have been excluded from our analysis.
2. LTM stands for last twelve months.
3. Market capitalisation has been presented in the currency in which the company is incorporated.
4. Based on price post announcement of Proposed Scheme i.e. 29 July 2019 close share price



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Comparable company descriptions	
Company	Description
Silver Chef Limited	Silver Chef is an Australian commercial equipment renter and financier that listed on the ASX in 2005 after being established in 1986 by Non-Executive Chairman Allan English. Silver Chef began as an Australian hospitality equipment funding solution provider although has since expanded its operations into New Zealand and Canada in recent years. Please refer to Section 4 for further detail on Silver Chef.
Axsesstoday Limited	Axsesstoday Limited provides equipment funding solutions in the hospitality, transport, and other sectors in Australia. The company offers hospitality and catering equipment leasing; yellow goods leasing; franchise equipment leasing for general and franchise-specific equipment, and fit outs for new and refurbished franchises, plus franchise fees and other setup costs, etc.; and operating equipment leasing for computers, laptops and tablets, servers, routers and storage devices, audio visual equipment, printers and copiers, workstations, office and boardroom furniture, etc. In addition, the company offers business loans. Axsesstoday Limited was incorporated in 2014 and is headquartered in Melbourne, Australia.
FlexiGroup Limited	FlexiGroup Limited provides consumer revolving finance, card, leasing, and rental financing services in Australia, New Zealand, and Ireland. It operates through six segments: Certegy, AU Cards, Consumer Leasing, Commercial Leasing, NZ Leasing, and NZ Cards. The company offers leasing services to consumers, businesses, and corporations; and interest free finance to enable customers to facilitate purchases at participating retailer's point of sale and online. It also provides no interest ever, vendor finance program, Visa/Mastercard, managed print, lay-by, and other payment solutions to consumers and businesses. The company offers its services under the Certegy Ezi-Pay, Flexicommercial, Flexirent, Flexirent IE, Flexirent NZ, Flexiway, Lisa, Lombard, Once, Oxipay, Q Card NZ, Skye, and Smartway brands. It serves various industries, including home improvement, solar energy, fitness, IT, electrical appliances, travel, education, and trade equipment; and business to consumer, business to business, and retail to consumer markets through a network of 46,000 merchant, vendor, and retail partners. The company was founded in 1988 and is headquartered in Sydney, Australia.
Thorn Group Limited	Thorn Group Limited, provides a range of financial solutions to consumers and businesses in Australia. It is involved in the leasing of household products to consumers; and provision of leasing and other financial services to small and medium size enterprises under the Radio Rentals name. The company also engages in the provision of loans, commercial finance, and receivables management services. Thorn Group Limited was founded in 1937 and is based in Chullora, Australia.
Chesswood Group Limited	Chesswood Group Limited, a financial services company, operates primarily in the specialty finance industry. It operates through Equipment Financing - U.S. and Equipment Financing - Canada segments. The Equipment Financing - U.S. segment offers micro and small-ticket commercial equipment financing to small and medium-sized businesses through a network of approximately 600 independent equipment finance broker companies in the lower 48 states of the United States. The Equipment Financing - Canada segment provides commercial equipment financing to small and medium businesses through a network of approximately 50 independent equipment finance broker companies, as well as through equipment vendors in Canada. Chesswood Group Limited was founded in 1982 and is headquartered in Toronto, Canada.
Marlin Business Services Corp.	Marlin Business Services Corp. provides credit products and services to small and mid-sized businesses in the United States. The company's products and services include loans and leases for the acquisition of commercial equipment and working capital loans. It offers lease finance to approximately 100 categories of equipment. As of December 31, 2018, the company had a portfolio of approximately 94,000 equipment finance leases and loans. It also offers property reinsurance coverage for its financed equipment; and operates a commercial bank that issues certificates of deposit and money market demand accounts, as well as provides small business loans. The company provides its solutions through a network of independent commercial equipment dealers and national account programs, as well as through direct solicitation and relationships with select lease and loan brokers. Marlin was founded in 1997 and is based in Mount Laurel, New Jersey.
Rent-A-Center, Inc.	Rent-A-Center, Inc., together with its subsidiaries, leases household durable goods to customers on a rent-to-own basis. The company operates through four segments: Core U.S., Acceptance Now, Mexico, and Franchising. The company also provides merchandise on an installment sales basis; and rent-to-own transaction to consumers who do not qualify for financing from the traditional retailer through kiosks located within retailer's locations. It operates retail installment sales stores under the Get It Now and Home Choice names; and rent-to-own and franchised rent-to-own stores under the Rent-A-Center, ColorTyme, and RimTyme names. As of December 31, 2018, the company owned and operated approximately 2,158 stores in the United States, Canada, and Puerto Rico, including 44 retail installment sales stores; 1,106 Acceptance Now staffed kiosk locations in 41 states and Puerto Rico; 96 Acceptance Now Direct locations; and 122 stores in Mexico, as well as franchised 281 rent-to-own stores in 32 states. Rent-A-Center, Inc. was founded in 1986 and is headquartered in Plano, Texas.
CML Group Limited	CML Group Limited provides financial management and payroll services. It operates through Finance, Equipment Finance, and Other Services segments. The Finance segment offers invoice financing or receivables finance services. The Equipment Finance segment provides equipment finance, including loans secured against equipment. The Other Services segment offers employment solutions comprising labor sourcing and project management. CML Group Limited was founded in 2002 and is based in North Sydney, Australia.
Accord Financial Corp.	Accord Financial Corp., through its subsidiaries, provides asset-based financial services to industrial and commercial enterprises primarily in Canada and the United States. The company is involved in the asset-based lending, which entails financing or purchasing receivables on a recourse basis, as well as financing other tangible assets, such as inventory and equipment; and provision of lease and equipment, working capital, and film and media production financing, as well as credit guarantees and collection services generally without financing. The company serves customers operating in manufacturing, retail, services, wholesale, import and export, lenders, apparel and textile, food and beverage, and construction sectors. Accord Financial Corp. was founded in 1978 and is headquartered in Toronto, Canada.

Source: S&P Capital IQ, EY analysis

Attachment A

Independent Expert's Report



Appendix E Transaction multiples

Transaction multiples					
Date	Target	Acquirer	Transaction value (A\$m)	Percentage acquired (%)	LTM P/NPAT multiple
21-Jan-16	EcoHome Financial Inc.	Dealnet Capital Corp.	35	100%	24.7x
22-May-15	Firestone Financial Corp.	Berkshire Bank	70	100%	11.9x
15-Dec-14	MicroFinancial Inc.	Fortress Investment Group LLC	185	100%	15.2x
High					24.7x
Median					15.2x
Mean					17.3x
Low					11.9x

Source: Ernst & Young Transaction Advisory Services Limited analysis, S&P Capital IQ, Annual Reports, Merger Market

Notes:

1. A control premium may or may not be included depending on the stake acquired and specific detail pertaining to each individual transaction.

Appendix F Sources of information

In arriving at our views, we have had regard to the following sources of information:

- ▶ Audited financial statements of Silver Chef for FY16, FY17 and FY18;
- ▶ The reviewed half year results of Silver Chef at 1H FY19;
- ▶ Recent unaudited management accounts and trial balances;
- ▶ GoGetta Run-off Financial Model Final Banks.xlsx (GoGetta forecast);
- ▶ The draft Scheme Booklet;
- ▶ Details pertaining to Silver Chef's current major / Founder Shareholders, the number of shares outstanding, any outstanding options;
- ▶ ASX announcements relating to Silver Chef;
- ▶ Analyst reports and investor presentations relating to Silver Chef and other broadly comparable companies;
- ▶ Company websites for Silver Chef and other broadly comparable companies; and
- ▶ Market data obtained from sources including ThomsonOne, S&P Capital IQ, mergermarket, DatAnalysis, IBISWorld and Factiva.
- ▶ In addition, we have held discussions with various members of Silver Chef's senior Management. Including in relation to the financial position of Silver Chef and alternatives considered.

Attachment A

Independent Expert's Report



Appendix G Glossary

Glossary	
Abbreviation	Full Title / Description
\$	Australian dollars unless otherwise stated
1H FY19	Half year ended 31 December 2018
Act	Corporations Act 2001
ADIs	Authorised Deposit-taking Institutions
Initial Announcement Date	11 April 2019
Announcement Date	3 July 2019
APES 225	Accounting Professional & Ethical Standards Board 225: Valuation Services
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CAGR	Compound annual growth rate
CAPM	Capital Asset Pricing Model
Cash Scheme Consideration	\$0.70 for every Silver Chef Share held
CPI	Consumer price index
DCF	Discounted cash flow
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Ernst & Young / EY / we / us	Ernst & Young Transaction Advisory Services Limited
FSG	Financial Services Guide
FY16	Financial year ended 30 June 2016
FY17	Financial year ended 30 June 2017
FY18	Financial year ended 30 June 2018
FY19	Financial year ending 30 June 2019
Next Capital	Next Capital Limited
Next Capital Consortium	Consortium of investors investing under the leadership of Next Capital Pty Limited as outlined in Section 1.1
Non-ADIs	Non-Authorised Deposit-taking Institutions
Proposed Scheme	Scheme Implementation Agreement under which the Next Capital Consortium intends to acquire all of the issued shares in Silver Chef it does not already hold a relevant interest in via a scheme of arrangement
Regulations	Corporations Regulations 2001
RG 111	ASIC Regulatory Guide 111: Content of expert reports
RG 112	ASIC Regulatory Guide 112: Independence of experts
RTB	Rent-Try-Buy
Scheme Booklet	Scheme booklet prepared by Silver Chef in relation to the Proposed Scheme
Scheme Consideration	Cash Scheme Consideration and Contingent Value Note
Scheme Meetings	General meeting of the Company that is to be held on or about 6 September 2019
SF	Syndicated Facility
Silver Chef / the Company	Silver Chef Limited
Silver Chef Shareholders	Holders of ordinary shares in Silver Chef
SWF	Securitisation Warehouse Facility
VWAP	Volume weighted average price
WDV	Written down value



Ernst & Young
Transaction Advisory Services Limited
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

THIS FINANCIAL SERVICES GUIDE FORMS PART OF THE INDEPENDENT EXPERT'S REPORT

30 July 2019

PART 2 - FINANCIAL SERVICES GUIDE

1. Ernst & Young Transaction Advisory Services Limited

Ernst & Young Transaction Advisory Services Limited ("we," or "us" or "our") has been engaged to provide general financial product advice in the form of an Independent Expert's Report ("Report") in connection with a financial product of another person. The Report is set out in Part 1.

2. Financial Services Guide

This Financial Services Guide ("FSG") provides important information to help retail clients make a decision as to their use of the general financial product advice in a Report, information about us, the financial services we offer, our dispute resolution process and how we are remunerated.

3. Financial services we offer

We hold an Australian Financial Services Licence which authorises us to provide the following services:

- financial product advice in relation to securities, derivatives, general insurance, life insurance, managed investments, superannuation, and government debentures, stocks and bonds; and
- arranging to deal in securities.

4. General financial product advice

In our Report we provide general financial product advice. The advice in a Report does not take into account your personal objectives, financial situation or needs.

You should consider the appropriateness of a Report having regard to your own objectives, financial situation and needs before you act on the advice in a Report. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain an offer document relating to the financial product and consider that document before making any decision about whether to acquire the financial product.

We have been engaged to issue a Report in connection with a financial product of another person. Our Report will include a description of the circumstances of our engagement and identify the person who has engaged us. Although you have not engaged us directly, a copy of the Report will be provided to you as a retail client because of your connection to the matters on which we have been engaged to report.

5. Remuneration for our services

We charge fees for providing Reports. These fees have been agreed with, and will be paid by, the person who engaged us to provide a Report. Our fees for Reports are based on a time cost or fixed fee basis. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority. The estimated fee for this Report is \$132,000 (inclusive of GST).

Ernst & Young Transaction Advisory Services Limited is ultimately owned by Ernst & Young, which is a professional advisory and accounting practice. Ernst & Young may provide professional services, including audit, tax and financial advisory services, to the person who engaged us and receive fees for those services.

Except for the fees and benefits referred to above, Ernst & Young Transaction Advisory Services Limited, including any of its directors, employees or associated entities should not receive any fees or other benefits, directly or indirectly, for or in connection with the provision of a Report.

Attachment A**Independent Expert's Report****6. Associations with product issuers**

Ernst & Young Transaction Advisory Services Limited and any of its associated entities may at any time provide professional services to financial product issuers in the ordinary course of business.

7. Responsibility

The liability of Ernst & Young Transaction Advisory Services Limited, if any, is limited to the contents of this Financial Services Guide and the Report.

8. Complaints process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial services. All complaints must be in writing and addressed to the AFS Compliance Manager or Chief Complaints Officer and sent to the address below. We will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited.

9. Compensation Arrangements

The Company and its related entities hold Professional Indemnity insurance for the purpose of compensation should this become relevant. Representatives who have left the Company's employment are covered by our insurances in respect of events occurring during their employment. These arrangements and the level of cover held by the Company satisfy the requirements of Section 912B of the Corporations Act 2001.

Contacting Ernst & Young Transaction Advisory Services AFS Compliance Manager Ernst & Young 200 George Street Sydney NSW 2000 Telephone: (02) 9248 5555	Contacting the Independent Dispute Resolution Scheme: Financial Ombudsman Service Limited PO Box 3 Melbourne VIC 3001 Telephone: 1300 78 08 08
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This Financial Services Guide has been issued in accordance with ASIC Class Order CO 04/1572.

Attachment B

Deed Poll

Dated 26 July 2019

Given by

Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA ("**Fund IVA**")

Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC ("**Fund IVC**")

Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2 ("**Fund IVD2**")

(together, "**Fund IV Entities**")

Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-Investment Trust ("**Co-Investment Trust A**")

Next Capital (Services B) Pty Limited (ACN 117 027 853) as trustee for Apollo Co-investment Trust B ("**Co-Investment Trust B**")

(Fund IV Entities Co-Investment Trust A and Co-Investment Trust B, together, "**Bidder**")

In favour of each registered holder of fully paid ordinary shares in Silver Chef Limited (ABN 28 011 045 828) ("**Target**") as at the Record Date ("**Scheme Participants**")

Attachment B
Deed Poll

Deed Poll

Contents

Details	1
General terms	3
1 Definitions and interpretation	3
1.1 Definitions	3
1.2 General interpretation	3
1.3 Nature of deed poll	3
2 Conditions precedent and termination	4
2.1 Conditions precedent	4
2.2 Termination	4
2.3 Consequences of termination	4
3 Performance of obligations generally	4
4 Scheme Consideration	4
4.1 Scheme Consideration	4
4.2 Provision of Scheme Consideration	4
5 Representations and warranties	5
6 Continuing obligations	6
7 Costs	6
7.1 Costs	6
7.2 Stamp duty and registration fees	6
8 Bidder	6
8.1 References to Bidder	6
8.2 Rights, obligations and liability	6
9 Notices	7
10 General	7
10.1 Waiver	7
10.2 Variation	7
10.3 Partial exercising of rights	7
10.4 Remedies cumulative	7
10.5 Assignment or other dealings	8
10.6 Severability	8
10.7 Further steps	8
10.8 Counterparts	8
11 Governing law and jurisdiction	8
11.1 Governing law and jurisdiction	8
11.2 Serving documents	8
Signing page	9
Annexure A - Scheme	11

Deed Poll

Details

Parties

Fund IVA	Name	Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA
	Formed in	New South Wales
	Address	Level 30/31 25 Bligh Street, Sydney NSW 2000
	Email	PatrickElliott@nextcapital.com.au
	Attention	Patrick Elliott
Fund IVC	Name	Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC
	Formed in	New South Wales
	Address	Level 30/31 25 Bligh Street, Sydney NSW 2000
	Email	PatrickElliott@nextcapital.com.au
	Attention	Patrick Elliott
Fund IVD2	Name	Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2
	Formed in	New South Wales
	Address	Level 30/31 25 Bligh Street, Sydney NSW 2000
	Email	PatrickElliott@nextcapital.com.au
	Attention	Patrick Elliott
Co-Investment Trust A	Name	Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-Investment Trust
	Formed in	New South Wales
	Address	Level 30/31 25 Bligh Street, Sydney NSW 2000
	Email	PatrickElliott@nextcapital.com.au

Attachment B

Deed Poll

Co-Investment Trust B	Name	Next Capital (Services B) Pty Limited (ACN 117 027 853) as trustee for Apollo Co-investment Trust B
	Formed in	New South Wales
	Address	Level 30/31 25 Bligh Street, Sydney NSW 2000
	Email	PatrickElliott@nextcapital.com.au
	Attention	Patrick Elliott
In favour of	Each registered holder of fully paid ordinary shares in Target as at the Record Date (" Scheme Participants ").	
Governing law	Queensland	
Recitals	A	The directors of Target have resolved that Target should propose the Scheme.
	B	The effect of the Scheme will be that all Scheme Shares (other than Retained Shares) will be transferred to Bidder.
	C	Target and Bidder have entered into the Scheme Implementation Agreement.
	D	In the Scheme Implementation Agreement, Bidder agreed (amongst other things) to provide the Cash Scheme Consideration to Target on behalf of the Scheme Participants (other than Founder Shareholders who have made a valid Election) and procure Target to issue the Contingent Value Notes to Scheme Participants (other than Founder Shareholders who have made a valid Election and Ineligible Foreign Shareholders) or the Custodian (in respect of Ineligible Foreign Shareholders), subject to the satisfaction or waiver of certain conditions.
	E	Bidder is entering into this deed poll for the purpose of covenanting in favour of Scheme Participants that they will, severally and in their Relevant Proportions, perform (or procure the performance of) obligations attributed to it under the Scheme.

Deed Poll

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

Bidder means each of Fund IVA, Fund IVC, Fund IVD2, Co-Investment Trust A and Co-Investment Trust B, acting severally, in their Relevant Proportions and subject to at all times the provisions of clause 8.

Bidder Nominee has the meaning given to that term in the Scheme Implementation Agreement.

Bidder Nominee Proportions has the meaning given to that term in the Scheme Implementation Agreement.

Liability means a debt, liability or obligation, whether actual, prospective, contingent or otherwise and whether or not ascertained, and whether or not owing or incurred alone, or jointly and severally, with any other person.

Scheme means the proposed scheme of arrangement between Target and Scheme Participants under which all the Scheme Shares (other than the Retained Shares) will be transferred to Bidder under Part 5.1 of the Corporations Act, substantially in the form of Annexure A to this document, or as otherwise agreed by Bidder and Target, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act, to the extent they are approved in writing by Target and Bidder in accordance with clause 3.1(c) of the Scheme.

Scheme Implementation Agreement means the scheme implementation agreement dated 3 July 2019 between Target and Bidder, which, amongst other things, Target has agreed to propose the Scheme to Target Shareholders, and each of Bidder and Target has agreed to take certain steps to give effect to the Scheme.

All other words and phrases used in this document have the same meaning as given to them in the Scheme.

1.2 General interpretation

Clause 1.2 of the Scheme applies to this document.

1.3 Nature of deed poll

Bidder acknowledges that:

- (a) this document may be relied on and enforced by any Scheme Participant in accordance with its terms even though the Scheme Participants are not a party to it; and
- (b) under the Scheme, each Scheme Participant irrevocably appoints Target as its agent and attorney to enforce this document against Bidder on behalf of the Scheme Participant.

Attachment B

Deed Poll

2 Conditions precedent and termination

2.1 Conditions precedent

Bidder's obligations under clause 4 are subject to the Scheme becoming Effective.

2.2 Termination

Bidder's obligations under this document will automatically terminate and the terms of this document will be of no further force or effect if:

- (a) the Scheme has not become Effective on or before the End Date; or
- (b) the Scheme Implementation Agreement is terminated in accordance with its terms.

2.3 Consequences of termination

If this document is terminated under clause 2.2, then, in addition and without prejudice to any other rights, powers or remedies available to Scheme Participants:

- (a) Bidder is released from its obligations to further perform this document except Bidder's obligations contained in clause 7.2 and any other obligations which by their nature survive termination; and
- (b) each Scheme Participant retains the rights, powers or remedies they have against Bidder in respect of any breach of this document which occurs before it is terminated.

3 Performance of obligations generally

Bidder will comply with its obligations under the Scheme Implementation Agreement and, subject to clause 2, Bidder covenants in favour of the Scheme Participants that it will perform (or procure the performance of) obligations attributed to it under the Scheme as if Bidder was a party to the Scheme.

4 Scheme Consideration

4.1 Scheme Consideration

Subject to clause 2, Bidder undertakes in favour of each Scheme Participant to:

- (a) provide or procure the provision of the Scheme Consideration to the Scheme Participants in accordance with the Scheme; and
- (b) undertake all other actions attributed to them under the Scheme,

subject to and in accordance with the Scheme.

4.2 Provision of Scheme Consideration

The obligations of Bidder under clause 4.1 will be satisfied if, in respect of the Scheme Consideration:

- (a) Bidder, no later than two Business Days before the Implementation Date, deposits (or procures the deposit) in Immediately Available Funds the

aggregate amount of the Cash Scheme Consideration payable to all Scheme Participants (other than Founder Shareholders who have made a valid Election) into the Trust Account (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be credited to Bidder's account);

- (b) subject to the Scheme becoming Effective, no later than 12 noon (or such later time as Bidder and Target may agree in writing) on the Implementation Date, Bidder procures that the Target:
 - (i) issues all of the Contingent Value Notes to applicable Scheme Participants (other than Ineligible Foreign Shareholders) and the Custodian under the Scheme;
 - (ii) registers or procures the registration of the name and address of each Scheme Participant (other than Ineligible Foreign Shareholders) entitled to be issued Contingent Value Notes under the Scheme on the Note Register as the holder of the Contingent Value Notes to which the Scheme Participant (other than Ineligible Foreign Shareholders) is entitled; and
 - (iii) registers or procures the registration of the name and address of the Custodian on the Note Register as the holder of the Custodian CVNs and procuring the Custodian to hold the Custodian CVNs in accordance with clause 6.5(d) of the Scheme,

in each case, in accordance with, and subject to, the provisions of the Scheme.

5 Representations and warranties

Bidder represents and warrants that:

- (a) **(status)** it has been incorporated or formed in accordance with the laws of its place of incorporation or formation, is validly existing under those laws and has power and authority to own its assets and carry on its business as it is now being conducted;
- (b) **(power)** it has power to enter into this document, to comply with its obligations under it and exercise its rights under it;
- (c) **(no contravention)** the entry by it into, its compliance with its obligations and the exercise of its rights under, this document do not and will not conflict with:
 - (i) its constituent documents or cause a limitation on its powers or the powers of its directors to be exceeded;
 - (ii) any law, judgment, ruling, order or decree binding on or applicable to it or its assets; or
 - (iii) any Encumbrance or document binding on or applicable to it;
- (d) **(authorisations)** it has in full force and effect each authorisation necessary for it to enter into this document, to comply with its obligations and exercise its rights under it, and to allow them to be enforced;
- (e) **(validity of obligations)** its obligations under this document are valid and binding and are enforceable against it in accordance with its terms; and

Attachment B

Deed Poll

- (f) **(solvency)** is not Insolvent.

6 Continuing obligations

Subject to clause 10.1, this document is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Bidder has fully performed its obligations under this document; or
- (b) the earlier termination of this document under clause 2.2.

7 Costs

7.1 Costs

Bidder agrees to pay all costs in respect of the Scheme (including in connection with the transfer of the Scheme Shares (other than the Retained Shares) to Bidder in accordance with the terms of the Scheme).

7.2 Stamp duty and registration fees

Bidder:

- (a) agrees to pay or reimburse all stamp duty, registration fees and similar taxes payable or assessed as being payable in connection with this document, or any other transaction contemplated by this document (including any fees, fines, penalties and interest in connection with any of these amounts); and
- (b) indemnifies each Scheme Participant against, and agrees to reimburse and compensate it, for any liability in respect of stamp duty under clause 7.2(a).

8 Bidder

8.1 References to Bidder

All references to "Bidder" in this document are references to each of Fund IVA, Fund IVC and Fund IVD2 (or any of their Bidder Nominees) and Co-Investment Trust A and Co-Investment Trust B:

- (a) individually and severally; and
- (b) in each of their respective Relevant Proportions or Bidder Nominee Proportions (as relevant).

8.2 Rights, obligations and liability

Notwithstanding any other provision of this document, the Scheme and the Scheme Implementation Agreement:

- (a) each of Fund IVA, Fund IVC and Fund IVD2 (or any of their Bidder Nominees) and Co-Investment Trust A and Co-Investment Trust B is severally responsible and liable in its Relevant Proportion or Bidder Nominee Proportion (as relevant) for all obligations of Bidder under this document, the Scheme and the Scheme Implementation Agreement; and

- (b) all of the rights of Bidder under this document, the Scheme Implementation Agreement and the Scheme are exercisable severally by Fund IVA, Fund IVC and Fund IVD2 (or any of their Bidder Nominees) and Co-Investment Trust A and Co-Investment Trust B and any failure by any of them to exercise their rights under this document, the Scheme and the Scheme Implementation Agreement does not constitute a waiver by the others of their rights.

9 Notices

Notices and other communications in connection with this document must be in writing. They must be sent to the address or email address referred to in the Details and (except in the case of email) marked for the attention of the person referred to in the Details. If the intended recipient has notified changed contact details, then communications must be sent to the changed contact details. Any notice to the Bidder may be given to any of Fund IVA, Fund IVC, Fund IVD2, Co-Investment Trust A or Co-Investment Trust B and once so given will be deemed to be properly given to all of them.

10 General

10.1 Waiver

Failure to exercise or enforce or a delay in exercising or enforcing or the partial exercise or enforcement of any right, power or remedy provided by law or under this document by a Scheme Participant will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement of that or any other rights, power or remedy provided by law or under this document. A waiver is not valid or binding on the person granting that waiver unless made in writing.

10.2 Variation

A provision of this document or any right created under it may not be varied, altered or otherwise amended by Bidder unless:

- (a) if before the First Court Date, the variation is agreed to by Target in writing; and
- (b) if on or after the First Court Date, the variation is agreed to by Target in writing and the Court indicates that the variation, alteration or amendment would not itself preclude approval of the Scheme,

in which event Bidder must enter into a further deed poll in favour of the Scheme Participants giving effect to the variation, alteration or amendment.

10.3 Partial exercising of rights

Unless this document expressly states otherwise, if a person does not exercise a right, power or remedy in connection with this document fully or at a given time, it may still exercise it later.

10.4 Remedies cumulative

The rights, powers and remedies in connection with this document are in addition to other rights, powers and remedies given by law independently of this document.

Attachment B**Deed Poll****10.5 Assignment or other dealings**

Bidder and each Scheme Participant may not assign or otherwise deal with its rights under this document or allow any interest in them to arise or be varied without the consent of Bidder and Target.

10.6 Severability

If the whole or any part of a provision of this document is void, unenforceable or illegal in a jurisdiction it is severed for that jurisdiction. The remainder of this document has full force and effect and the validity or enforceability of that provision in any other jurisdiction is not affected. This clause 10.6 has no effect if the severance alters the basic nature of this document or is contrary to public policy.

10.7 Further steps

Bidder agrees, at its own expense, to do anything including executing all documents and do all things (on its own behalf or on behalf of each Scheme Participant) necessary or expedient to give full effect to this document and the transactions contemplated by it.

10.8 Counterparts

This document may consist of a number of copies, each signed by one or more parties to it. If so, the signed copies are treated as making up a single document.

11 Governing law and jurisdiction
11.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. Bidder submits to the non-exclusive jurisdiction of the courts of that place.

11.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on Bidder by being delivered or left at Bidder's address set out in the Details. A document to be served on the Bidder may be served on any of Fund IVA, Fund IVC, Fund IVD2, Co-Investment Trust A or Co-Investment Trust B and such service on any of them will be deemed to have been properly served on all of them.

EXECUTED as a deed poll

Deed Poll

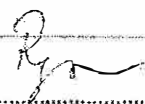
Signing page

DATED: 26 July 2019

SIGNED, SEALED AND DELIVERED
by NEXT CAPITAL SERVICES IVA
PTY LIMITED as trustee for NEXT
CAPITAL TRUST IVA in accordance
with section 127(1) of the Corporations
Act 2001 (Cth):

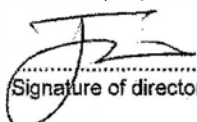

Signature of director

John White
Name of director (block letters)


Signature of director/company
secretary

RAYNA TOMAN
Name of director/company secretary
(block letters)

SIGNED, SEALED AND DELIVERED
by NEXT CAPITAL SERVICES IVC
PTY LIMITED as trustee for NEXT
CAPITAL TRUST IVC in accordance
with section 127(1) of the Corporations
Act 2001 (Cth):


Signature of director

James Murphy
Name of director (block letters)


Signature of director/company
secretary

RAYNA TOMAN
Name of director/company secretary
(block letters)

Attachment B

Deed Poll

Deed Poll

SIGNED, SEALED AND DELIVERED
by NEXT CAPITAL SERVICES IVD2
PTY LIMITED as trustee for NEXT
CAPITAL TRUST IVD2 in accordance
with section 127(1) of the Corporations
Act 2001 (Cth):

A A L

Signature of director

A A Louchans

Name of director (block letters)

Ryan

Signature of director/company
secretary

RAYNA TOMAN

Name of director/company secretary
(block letters)

SIGNED, SEALED AND DELIVERED
by NEXT CAPITAL (SERVICES A)
PTY LIMITED as trustee for the
APOLLO CO-INVESTMENT TRUST in
accordance with section 127(1) of the
Corporations Act 2001 (Cth):

John White

Signature of director

JOHN WHITE

Name of director (block letters)

Ryan

Signature of director/company
secretary

RAYNA TOMAN

Name of director/company secretary
(block letters)

SIGNED, SEALED AND DELIVERED
by NEXT CAPITAL (SERVICES B)
PTY LIMITED as trustee for the CO-
INVESTMENT TRUST B in accordance
with section 127(1) of the Corporations
Act 2001 (Cth):

JAMES MURPHY

Signature of director

JAMES MURPHY

Name of director (block letters)

Ryan

Signature of director/company
secretary

RAYNA TOMAN

Name of director/company secretary
(block letters)

Attachment C

Scheme of Arrangement

Dated

Silver Chef Limited (ABN 28 011 045 828) ("**Target**")

Scheme Participants

Attachment C
Scheme of Arrangement

Scheme of Arrangement

Contents

Contents

1	Definitions and interpretation	2
1.1	Definitions	2
1.2	General interpretation	6
2	Preliminary	6
2.1	Target	6
2.2	Bidder	7
2.3	If Scheme becomes Effective	7
2.4	Scheme Implementation Agreement	7
2.5	Deed Poll	7
3	Conditions precedent	8
3.1	Conditions precedent to Scheme	8
3.2	Conditions precedent and operation of clauses 5 and 6	8
3.3	Certificate in relation to conditions precedent	8
4	Scheme	8
4.1	Effective Date	8
4.2	End Date	8
5	Implementation of Scheme	9
5.1	Lodgement of Court orders with ASIC	9
5.2	Transfer and registration of Target Shares	9
5.3	Title and rights in Scheme Shares	9
5.4	Scheme Participants' agreements	10
5.5	Warranty by Scheme Participants	10
5.6	Transfer free of Encumbrances	10
5.7	Appointment of Bidder as sole proxy	11
6	Scheme Consideration	11
6.1	Consideration under the Scheme	11
6.2	Election procedure	11
6.3	Determination Scheme Consideration	12
6.4	Provision of Cash Scheme Consideration	12
6.5	Issue of Contingent Value Notes	13
6.6	Cancellation and reissue of cheques	14
6.7	Orders of a court or Regulatory Authority	14
6.8	Joint holders	15
6.9	Fractional Entitlements	16
7	Dealings in Scheme Shares	16
7.1	Determination of Scheme Participants	16
7.2	Register	16

7.3	No disposals after Effective Date	16
7.4	Maintenance of Register	17
7.5	Effect of certificates and holding statements	17
7.6	Details of Scheme Participants	17
7.7	Quotation of Target Shares	17
7.8	Termination of quotation of Target Shares	17
8	Power of attorney	17
9	Notices	18
9.1	No deemed receipt	18
9.2	Accidental omission	18
10	Bidder	18
10.1	References to Bidder	18
10.2	Rights, obligations and liability	18
11	General	18
11.1	Variations, alterations and conditions	18
11.2	Binding effect of Scheme	19
11.3	Further action by Target	19
11.4	Authority and acknowledgement	19
11.5	No liability when acting in good faith	19
11.6	Enforcement of Deed Poll	19
11.7	Stamp duty	19
12	Governing law	19
12.1	Governing law and jurisdiction	19
12.2	Serving documents	20

Attachment C
Scheme of Arrangement

Details

Parties		
Target	Name	Silver Chef Limited
	ABN	28 011 045 828
	Formed in	Queensland
	Address	Park Tower – 20 Pidgeon Close, West End Qld 4101
	Email	Graeme.fallet@silverchefgroup.com.au
	Attention	Graeme Fallet
Scheme Participants	Each person registered as a holder of fully paid ordinary shares in Target as at the Record Date.	
Governing law	Queensland	

General terms

1 Definitions and interpretation

1.1 Definitions

Unless the contrary intention appears, these meanings apply:

ACCC means the Australian Competition and Consumer Commission.

APRA means the Australia Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited or the market operated by it, as the context requires.

Bidder means each of Fund IVA, Fund IVC, Fund IVD2, Co-Investment Trust A and Co-Investment Trust B, acting severally, in their Relevant Proportions and subject to at all times the provisions of clause 10.

Bidder Nominee has the meaning given to that term in the Scheme Implementation Agreement.

Bidder Nominee Proportions has the meaning given to that term in the Scheme Implementation Agreement.

Business Day means a business day as defined in the Listing Rules.

Cash Scheme Consideration means an amount equal to the aggregate amount of the cash component of the Scheme Consideration payable to Scheme Participants under clause 6.3(a) of this Scheme.

CHESS means the clearing house electronic sub-register system of share transfers operated by ASX Settlement and Transfer Corporation Pty Ltd.

Co-Investment Trust A means Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-Investment Trust.

Co-Investment Trust B means Next Capital (Services B) Pty Limited (ACN 117 027 853) as trustee for the Apollo Co-Investment Trust B.

Contingent Value Note means an unlisted, unsecured note to be issued by the Target, pursuant to the Note Trust Deed.

Corporations Act means the *Corporations Act 2001* (Cth).

Court means the Supreme Court of Queensland or such other court of competent jurisdiction under the Corporations Act agreed in writing by Bidder and Target.

Custodian means a custodian to be appointed to hold the Contingent Value Notes issued in accordance with clause 6.5(b)(ii).

Custodian CVNs has the meaning given to that term in clause 6.5(d).

Attachment C

Scheme of Arrangement

Deed Poll means the deed poll dated 26 July 2019 executed by Bidder substantially in the form of Annexure C of the Scheme Implementation Agreement or as otherwise agreed by Bidder and Target under which Bidder covenants in favour of each Scheme Participant to perform (or procure the performance of) its obligations under the Scheme Implementation Agreement and this Scheme.

Details means the section of this agreement headed "Details".

Effective means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Election means an election by a Founder Shareholder to retain their registered holdings of Target Shares as at the Scheme Record Date in lieu of receiving the Scheme Consideration for their Scheme Shares in accordance with clause 6.3(b).

Election Date means 5.00pm on the date that is ten clear Business Days before the date of the applicable Scheme Meeting or such other date as is agreed in writing between Bidder and Target or as required by a Court.

Election Form means a form issued by Target for the purposes of a Founder Shareholder making an Election.

Election Deed Poll means a deed poll executed by a Founder Shareholder in favour of Target and Bidder, substantially in the form attached to the Election Form.

Encumbrance means any security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement and any "security interest" as defined in sections 12(1) or (2) of the *Personal Property Securities Act 2009* (Cth), or any agreement to create any of them or allow them to exist.

End Date means 30 November 2019 or such other date as is agreed by Bidder and Target.

FIRB means the Foreign Investment Review Board.

Founder Shareholder means each of:

- (a) Tessana Pty Ltd (ACN 008 938 618) as trustee for the A English Family Trust;
- (b) English Family Foundation Pty Ltd (ACN 147 782 312) as trustee for the English Family Foundation; and
- (c) Mr Allan John English & Mrs Tessa Winifred English as trustees for The Tessana Superannuation Fund.

Fund IVA means Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA.

Fund IVC means Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC.

Fund IVD2 means Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2.

Immediately Available Funds means a bank cheque or other form of cleared funds acceptable to Target.

Implementation Date means the fifth Business Day following the Record Date or such other date as is agreed by Bidder and Target.

Ineligible Foreign Shareholder means a Scheme Participant (other than a Founder Shareholder who has made a valid Election) whose address shown in the Register is a place outside Australia and its external territories unless Silver Chef determines it is lawful and not unduly onerous or impracticable to issue that Scheme Participant with Contingent Value Notes when the Scheme becomes Effective.

Listing Rules means the Listing Rules of the ASX.

Note Register means a register of persons who hold Contingent Value Notes required to be kept and updated by or on behalf of the Target (as the issuer of the Contingent Value Notes) in accordance with the Corporations Act

Note Trust Deed means the deed dated 19 July 2019 entered into between the Target and the Note Trustee.

Note Trustee means an entity appointed by the Target to be the trustee for the holders of the Contingent Value Notes under the Note Trust Deed.

Record Date means 5.00pm on the fifth Business Day following the Effective Date or such other date as Target and Bidder agree.

Redemption Amount has the meaning given to that term in the Note Trust Deed.

Register means the register of members of Target maintained by or on behalf of Target in accordance with section 168(1) of the Corporations Act.

Registered Address means, in relation to a Target Shareholder, the address shown in the Register.

Regulatory Authority includes, in any jurisdiction:

- (a) a government or governmental, semi-governmental or judicial entity or authority;
- (b) a minister, department, office, commission, delegate, instrumentality, agency, board, authority or organisation of any government; and
- (c) any regulatory organisation established under statute,

and includes ASX, ACCC, ASIC, the Takeovers Panel, FIRB and APRA.

Relevant Proportion means the following proportions:

- (a) Fund IVA: 20.3%;
- (b) Fund IVC: 13.5%;
- (c) Fund IVD2: 10.5%;
- (d) Co-Investment Trust A: 24.1%; and

Attachment C

Scheme of Arrangement

(e) Co-Investment Trust B: 31.6%.

Retained Shares means, in respect of Founder Shareholders who have made a valid Election, the Target Shares to be retained by those Founder Shareholders in lieu of receiving the Scheme Consideration for their Scheme Shares.

Scheme means this scheme of arrangement between Target and Scheme Participants under which all of the Scheme Shares (other than the Retained Shares) will be transferred to Bidder under Part 5.1 of the Corporations Act as described in clause 6, in consideration for the Scheme Consideration, subject to any amendments or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act to the extent they are approved in writing by Target and Bidder in accordance with clause 3.1(c).

Scheme Consideration means the consideration to be provided or procured by Bidder for the transfer of the Scheme Shares (other than the Retained Shares) held by a Scheme Participant to Bidder as set out in clause 6.3(a) and determined in accordance with clause 6.3.

Scheme Implementation Agreement means the scheme implementation agreement dated 3 July 2019 between Target and Bidder, under which, amongst other things, Target has agreed to propose this Scheme to Target Shareholders, and each of Bidder and Target has agreed to take certain steps to give effect to this Scheme.

Scheme Meeting means any meeting of Target Shareholders, ordered by the Court to be convened pursuant to section 411(1) of the Corporations Act at which Target Shareholders will vote on this Scheme and includes any meeting convened following any adjournment or postponement of that meeting.

Scheme Participant means each person who is a Target Shareholder as at the Record Date.

Scheme Share means a Target Share held by a Scheme Participant as at the Record Date and, for the avoidance of doubt, includes any Target Shares issued on or before the Record Date.

Second Court Date means the day on which the Court makes an order pursuant to section 411(4)(b) of the Corporations Act approving the Scheme.

Share Scheme Transfer means, for each Scheme Participant (other than a Founder Shareholder who has made a valid Election), a duly completed and executed proper instrument of transfer of the Scheme Shares held by that Scheme Participant for the purposes of section 1071B of the Corporations Act in favour of the Bidder as transferee, which may be a master transfer of all Scheme Shares.

Target Board means the board of directors of Target.

Target Group means Target and its Subsidiaries.

Target Registry means Boardroom Pty Limited (ABN 14 003 209 836).

Target Share means a fully paid ordinary share in the capital of Target.

Target Shareholder means each person registered in the Register as a holder of Target Shares.

Target Shareholders' Deed means the shareholders' deed to become effective following Implementation of the Scheme in relation to Target.

Trust Account means the trust account operated by or on behalf of Target to hold the Cash Scheme Consideration on trust for the purpose of paying the Cash Scheme Consideration to the Scheme Participants in accordance with clause 6.4.

1.2 General interpretation

Headings and labels used for definitions are for convenience only and do not affect interpretation. Unless the contrary intention appears, in this document:

- (a) the singular includes the plural and vice versa;
- (b) a reference to a document includes any agreement or other legally enforceable arrangement created by it (whether the document is in the form of an agreement, deed or otherwise);
- (c) a reference to a document also includes any variation, replacement or novation of it;
- (d) the meaning of general words is not limited by specific examples introduced by “including”, “for example”, “such as” or similar expressions;
- (e) a reference to “**person**” includes an individual, a body corporate, a partnership, a joint venture, an unincorporated association and an authority or any other entity or organisation;
- (f) a reference to a particular person includes the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (g) a reference to a time of day is a reference to Brisbane, Australia time;
- (h) a reference to dollars, \$ or A\$ is a reference to the currency of Australia;
- (i) a reference to any legislation includes regulations under it and any consolidations, amendments, re-enactments or replacements of any of them;
- (j) a reference to a group of persons is a reference to any 2 or more of them jointly and to each of them individually;
- (k) a reference to any thing (including an amount) is a reference to the whole and each part of it;
- (l) a period of time starting from a given day or the day of an act or event, is to be calculated exclusive of that day;
- (m) if a party must do something under this document on or by a given day and it is done after 5.00pm on that day, it is taken to be done on the next day; and
- (n) if the day on which a party must do something under this document is not a Business Day, the party must do it on the next Business Day.

2 Preliminary

2.1 Target

Target is:

Attachment C

Scheme of Arrangement

- (a) a public company limited by shares;
- (b) incorporated in Australia and registered in Queensland; and
- (c) admitted to the official list of the ASX and Target Shares are officially quoted on the stock market conducted by ASX.

As at the date of the Scheme Implementation Agreement, Target's issued securities are 39,267,916 Target Shares

2.2 Bidder

Bidder comprises:

- (a) Fund IVA;
- (b) Fund IVC;
- (c) Fund IVD2;
- (d) Co-Investment Trust A; and
- (e) Co-Investment Trust B,

each of which is constituted in Australia.

2.3 If Scheme becomes Effective

If this Scheme becomes Effective:

- (a) in consideration of the transfer of each Scheme Share (other than a Retained Share) to Bidder, Target will provide or procure the provision of the Scheme Consideration to each Scheme Participant (other than a Founder Shareholder who has made a valid Election) in accordance with the terms of this Scheme and the Deed Poll;
- (b) all Scheme Shares (other than the Retained Shares), together with all rights and entitlements attaching to those Scheme Shares, will be transferred to Bidder on the Implementation Date; and
- (c) Target will enter the name of Bidder in the Register in respect of all Scheme Shares (other than the Retained Shares) transferred to Bidder in accordance with the terms of this Scheme.

2.4 Scheme Implementation Agreement

Target and Bidder have agreed by executing the Scheme Implementation Agreement to implement the terms of this Scheme.

2.5 Deed Poll

Bidder has executed the Deed Poll for the purpose of covenanting in favour of the Scheme Participants to perform (or procure the performance of) obligations attributed to it under this Scheme, including to provide the Scheme Consideration.

3 Conditions precedent

3.1 Conditions precedent to Scheme

This Scheme is conditional on, and will have no force or effect until, the satisfaction of each of the following conditions precedent:

- (a) as at 8.00am on the Second Court Date, neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with their terms;
- (b) all of the conditions precedent in clause 3.1 of the Scheme Implementation Agreement (other than the condition precedent in clause 3.1(c) of the Scheme Implementation Agreement) having been satisfied or (other than the condition precedent in clause 3.1(b) of the Scheme Implementation Agreement, which cannot be waived) waived in accordance with the terms of the Scheme Implementation Agreement;
- (c) the Court having approved this Scheme, with or without any modification or condition, pursuant to section 411(4)(b) of the Corporations Act, and if applicable, Target and Bidder having accepted in writing any modification or condition made or required by the Court under section 411(6) of the Corporations Act; and
- (d) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Scheme.

3.2 Conditions precedent and operation of clauses 5 and 6

The satisfaction of each condition of clause 3.1 is a condition precedent to the operation of clause 5 and 6.

3.3 Certificate in relation to conditions precedent

Target and Bidder must provide to the Court on the Second Court Date a certificate confirming (in respect of matters within their knowledge) whether or not all of the conditions precedent set out in clause 3.1 (other than the conditions precedent in clause 3.1(c) and clause 3.1(d)) have been satisfied or waived as at 8.00am on the Second Court Date.

The certificate referred to in this clause 3.3 will constitute conclusive evidence of whether the conditions precedent referred to in clause 3.1 (other than the conditions precedent in clause 3.1(c) and 3.1(d)) have been satisfied or waived as at 8.00am on the Second Court Date.

4 Scheme

4.1 Effective Date

Subject to clause 4.2, this Scheme will come into effect pursuant to section 411(10) of the Corporations Act on and from the Effective Date.

4.2 End Date

This Scheme will lapse and be of no further force or effect if:

- (a) the Effective Date does not occur on or before the End Date; or

Attachment C

Scheme of Arrangement

- (b) the Scheme Implementation Agreement or the Deed Poll is terminated in accordance with their terms.

5 Implementation of Scheme

5.1 Lodgement of Court orders with ASIC

If the conditions precedent set out in clause 3.1 (other than the condition precedent in clause 3.1(d)) are satisfied, Target must lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Scheme as soon as possible, and in any event by no later than 5.00pm on the first Business Day after the day on which the Court approves this Scheme or such later time as Bidder and Target agree in writing.

5.2 Transfer and registration of Target Shares

Subject to the Scheme becoming Effective, the following will occur on the Implementation Date in the order set out below:

- (a) Bidder confirming in writing to Target that the Cash Scheme Consideration has been provided in accordance with clause 6.4(a);
- (b) payment by Target of the Cash Scheme Consideration in the manner contemplated by clause 6.4(b);
- (c) the Bidder procuring the Target to issue the Contingent Value Notes in the manner contemplated by clause 6.5(b) and the Target having done so;
- (d) the Scheme Shares (other than the Retained Shares), together with all rights and entitlements attaching to those Scheme Shares as at the Implementation Date, must be transferred to Bidder without the need for any further act by any Scheme Participant (other than acts performed by Target as attorney and agent for Scheme Participants under clause 8 of this Scheme) by:
 - (i) Target delivering to Bidder a duly completed and executed Share Scheme Transfer, executed on behalf of the Scheme Participants by Target as their attorney and agent; and
 - (ii) Bidder duly executing the Share Scheme Transfer and delivering it to Target for registration;
- (e) as soon as practicable after receipt of the duly executed Share Scheme Transfer in accordance with clause 5.2(d)(ii), Target must enter, or procure the entry of, the name of Bidder in the Register in respect of all Scheme Shares transferred to Bidder in accordance with the terms of this Scheme; and
- (f) subject to the transfer of Scheme Shares (except the Retained Shares), the Target Shareholders' Deed comes into effect.

5.3 Title and rights in Scheme Shares

Subject to the provision of the Scheme Consideration for the Scheme Shares (other than the Retained Shares) as contemplated by clause 6, on and from the Implementation Date, Bidder will be beneficially entitled to the Scheme Shares transferred to it under the Scheme, pending registration by Target of Bidder in the Register as the holder of the Scheme Shares.

5.4 Scheme Participants' agreements

Under this Scheme, each Scheme Participant:

- (a) other than a Founder Shareholder who has made a valid Election, agrees to the transfer of their Scheme Shares, together with all rights and entitlements attaching to those Scheme Shares, in accordance with the terms of this Scheme;
- (b) other than a Founder Shareholder who has made a valid Election, agrees to any variation, cancellation or modification of the rights attached to their Scheme Shares constituted by or resulting from this Scheme;
- (c) other than a Founder Shareholder who has made a valid Election, agrees to, on the direction of Bidder, to destroy any share certificates relating to their Scheme Shares;
- (d) other than a Founder Shareholder who has made a valid Election or an Ineligible Foreign Shareholder, agrees to become a holder of the Contingent Value Notes issued to it pursuant to this Scheme and to have its name entered in the Note Register, and accepts the Contingent Value Notes issued to it pursuant to this Scheme on the terms and conditions of the Note Trust Deed, without the need for any further act by the Scheme Participant;
- (e) to the extent they are an Ineligible Foreign Shareholder, acknowledges and agrees that they do not have any rights as a holder of Contingent Value Notes under the Note Trust Deed and will only be entitled to receive the Redemption Amount as remitted by the Custodian in accordance with clause 6.5(d)(ii); and
- (f) to the extent they are a Founder Shareholder who has made a valid Election, to be bound by the Target Shareholders' Deed.

5.5 Warranty by Scheme Participants

Each Scheme Participant (other than a Founder Shareholder who has made a valid Election) warrants to Bidder and is deemed to have authorised Target to warrant to Bidder as agent and attorney for the Scheme Participant by virtue of this clause 5.5, that:

- (a) all their Scheme Shares (including any rights and entitlements attaching to those shares) transferred to Bidder under the Scheme will, as at the date of the transfer, be fully paid and free from all Encumbrances; and
- (b) they have full power and capacity to sell and to transfer their Scheme Shares (including any rights and entitlements attaching to those shares) to Bidder under the Scheme.

5.6 Transfer free of Encumbrances

To the extent permitted by law, all Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred to Bidder under this Scheme will, at the date of the transfer of them to Bidder, vest in Bidder free from all Encumbrances and interests of third parties of any kind, whether legal or otherwise, and free from any restrictions on transfer of any kind not referred to in this Scheme.

Attachment C

Scheme of Arrangement

5.7 Appointment of Bidder as sole proxy

Immediately upon provision of the Scheme Consideration for the Scheme Shares (other than the Retained Shares) as contemplated by clauses 5.2 and 6.4, on and from the Implementation Date until Target registers Bidder as the holder of all of the Scheme Shares (other than the Retained Shares) in the Register, each Scheme Participant:

- (a) is deemed to have irrevocably appointed Target as attorney and agent (and directs Target in such capacity) to appoint Bidder and each of its directors, officers and any secretary or agent nominated by Bidder from time to time (jointly and each of them individually) as its sole proxy, and where applicable corporate representative, to:
 - (i) other than in respect of a Founder Shareholder who has made a valid Election, attend shareholders' meetings of Target, exercise the votes attaching to Scheme Shares registered in its name and sign any shareholders resolution, and no Scheme Participant may itself attend or vote at any of those meetings or sign any resolutions, whether in person, by proxy or by corporate representative (other than pursuant to this clause 5.7(a)); and
 - (ii) in respect of a Founder Shareholder who has made a valid Election, execute and deliver any deed or document required by Target or Bidder that causes each Founder Shareholder who has made a valid Election to be bound by the Target Shareholders' Deed;
- (b) other than in respect of a Founder Shareholder who has made a valid Election, must take all other actions in the capacity of the registered holder of Scheme Shares as Bidder reasonably directs; and
- (c) acknowledges and agrees that in exercising the powers referred to in clause 5.7(a), Bidder and any director, officer, secretary or agent nominated under clause 5.7(a) may act in the best interests of Bidder as the intended registered holder of the Scheme Shares (other than the Retained Shares).

Target undertakes in favour of each Scheme Participant that it will appoint Bidder and each of its directors, officers and any secretary or agent nominated by Bidder from time to time (jointly and each of them individually) as that Scheme Participant's proxy or, where applicable, corporate representative in accordance with clause 5.7(a).

6 Scheme Consideration

6.1 Consideration under the Scheme

On the Implementation Date, in consideration for the transfer to Bidder of the Scheme Shares (other than the Retained Shares), each Scheme Participant (other than a Founder Shareholder who has made a valid Election) will be entitled to receive the Scheme Consideration in respect of each of their Scheme Shares in accordance with clauses 6.2 to 6.4.

6.2 Election procedure

- (a) Subject to clauses 6.2(b), 6.2(c), and 6.2(d), each of the Founder Shareholders will be entitled to make an Election. All Elections will take

effect in accordance with this Scheme to the extent that any Founder Shareholder who makes an Election qualifies as a Scheme Participant.

- (b) A Founder Shareholder who makes an Election may vary, withdraw or revoke that Election by lodging a replacement Election Form so that it is received on or before the Election Date.
- (c) An Election must be made in accordance with the terms and conditions of the Election Form and this clause 6.2, and an Election not so made will not be a valid Election for the purpose of this Scheme and will not be recognised by Bidder or Target for any purpose (provided that Bidder may, with the agreement of Target, waive this requirement and may, with the agreement of Target, settle as it thinks fit any difficulty, matter of interpretation or dispute which may arise in connection with determining the validity of any Election, and any such decision will be conclusive and binding on Bidder, Target and the relevant Founder Shareholder).
- (d) If a Founder Shareholder makes an Election:
 - (i) that Election will be deemed to apply in respect of that Founder Shareholder's entire registered holding of Target Shares at the Record Date, regardless of whether the Founder Shareholder's holding of Target Shares at the Record Date is greater or less than the Founder Shareholder's holding at the time it made its Election, unless Bidder and Target agree otherwise, in their absolute discretion; and
 - (ii) the Founder Shareholder must submit the Election Deed Poll in accordance with the terms and conditions of the Election Form.

6.3 Determination Scheme Consideration

- (a) If the Scheme Participant is not a Founder Shareholder or is a Founder Shareholder who has not made a valid Election on or before the Election Date, then the Scheme Consideration applicable for that Scheme Participant is:
 - (i) \$0.70 for each Scheme Share held by the Scheme Participant; and
 - (ii) one Contingent Value Note for each Scheme Share held by the Scheme Participant.
- (b) If the Scheme Participant is a Founder Shareholder who has made a valid Election on or before the Election Date, then that Scheme Participant will retain their registered holdings of Target Shares as at the Scheme Record Date in lieu of receiving the Scheme Consideration set out in clause 6.3(a) in respect of their Scheme Shares.

6.4 Provision of Cash Scheme Consideration

- (a) The obligation of the Target to provide or procure payment of the Cash Scheme Consideration to Scheme Participants (other than Founder Shareholders who have made a valid Election) pursuant to clauses 2.3(a) and 5.2(b) will be satisfied by Target procuring Bidder to, no later than two Business Days before the Implementation Date, deposit (or procure the deposit) in Immediately Available Funds the aggregate amount of the Cash Scheme Consideration payable to all Scheme Participants (other than Founder Shareholders who have made a valid Election) into the Trust Account (except that the amount of any interest on the amount deposited, less bank fees and other charges, will be

Attachment C

Scheme of Arrangement

credited to Bidder's account) such amount to be held by Target on trust for the purpose of paying the aggregate amount of the Cash Scheme Consideration to Scheme Participants who are entitled to receive it pursuant to clause 6.4(b).

- (b) On the Implementation Date, and subject to receipt of the aggregate amount of the Cash Scheme Consideration from Bidder in accordance with clause 6.4(a), Target must pay (or procure payment) from the Trust Account to each Scheme Participant (other than a Founder Shareholder who has made a valid Election) an amount equal to the applicable amount of Cash Scheme Consideration for each Scheme Share transferred to Bidder on the Implementation Date by that Scheme Participant.
- (c) Target's obligation under clause 6.4(b) will be satisfied by Target:
 - (i) depositing (or procuring the deposit of) the relevant amount into an account with any Australian ADI (as defined in the Corporations Act) notified to Target by an appropriate authority from the Scheme Participant; or
 - (ii) sending (or procuring the sending of) a cheque for the relevant amount, drawn in Australian currency, to the address of the Scheme Participant as recorded in the Register on the Record Date by pre-paid ordinary post (or, if the address of the Scheme Participant in the Register is outside Australia, by pre-paid airmail post).
- (d) To the extent that following the satisfaction of Target's obligations under clause 6.4(b), there is a surplus in the Trust Account, that surplus must be paid by Target to Bidder.

6.5 Issue of Contingent Value Notes

- (a) The Bidder has no obligation under this Scheme to procure the Target to issue, and the Target has no obligation to issue, Contingent Value Notes to an Ineligible Foreign Shareholder.
- (b) Subject to the Scheme becoming Effective, the Bidder must on the Implementation Date procure the Target to issue to:
 - (i) each Scheme Participant (other than Founder Shareholders who have made a valid Election and Ineligible Foreign Shareholders) one Contingent Value Note for each Scheme Share held by the Scheme Participant on the Record Date; and
 - (ii) the Custodian the total number of Contingent Value Notes that would otherwise have been issued to the Ineligible Foreign Shareholders, if those Ineligible Foreign Shareholders were Scheme Participants to whom Contingent Value Notes were permitted to be issued,
 in accordance with and subject to the terms of this Scheme and the Note Trust Deed.
- (c) The obligations of the Bidder under clause 6.5(b)(i) will be satisfied by the Target registering or procuring the registration of the name and address of each Scheme Participant (other than Founder Shareholders who have made a valid Election and Ineligible Foreign Shareholders) on the Note Register as the holder of the Contingent Value Notes to which

the Scheme Participant (other than Founder Shareholders who have made a valid Election and Ineligible Foreign Shareholders) is entitled.

- (d) The obligations of the Bidder under clause 6.5(b)(ii) will be satisfied by the Target registering or procuring the registration of the name and address of the Custodian on the Note Register as the holder of the Contingent Value Notes to which the Custodian is entitled (**Custodian CVNs**) and procuring that the Custodian:
- (i) holds the Custodian CVNs until the earlier of:
 - (A) the termination of the Note Trust Deed; and
 - (B) the redemption or cancellation of the Custodian CVNs in accordance with the terms of the Note Trust Deed; and
 - (ii) promptly following receipt of the aggregate Redemption Amount for the Custodian CVNs (after deducting any applicable costs), remits to each Ineligible Foreign Shareholder a cash amount determined in accordance with the following formula:
Cash amount to be paid to each Ineligible Foreign Shareholder = Redemption Amount x A

Where:

A = total number of Scheme Shares held by that Ineligible Foreign Shareholder at the Record Date.

6.6 Cancellation and reissue of cheques

Target may cancel a cheque issued under clause 6.4 if the cheque:

- (a) is returned to Target; or
- (b) has not been presented for payment within 6 months after the date on which the cheque was sent.

During the period of one year commencing on the Implementation Date, on request from a Scheme Participant to Target (or Target Registry) (which request may not be made until the date which is 20 Business Days after the Implementation Date), Target must reissue a cheque that was previously cancelled under this clause 6.6.

The *Public Trustee Act 1978* (Qld) will apply in relation to any Scheme Consideration which becomes 'unclaimed moneys' (as defined in section 98 of the *Public Trustee Act 1978* (Qld)).

6.7 Orders of a court or Regulatory Authority

- (a) In the case of notice having been given to Target (or the Target Registry) of an order or direction made by a court of competent jurisdiction or Regulatory Authority which:
 - (i) requires payment to a third party of a sum in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be payable to that Scheme Participant in accordance with clause 6.4, then Target must procure that payment is made in accordance with that order or direction; or

Attachment C

Scheme of Arrangement

- (ii) would prevent Target from dispatching payment to any particular Scheme Participant in accordance with clause 6.4, Target will retain an amount, in Australian dollars, equal to the number of Scheme Shares held by that Scheme Participant multiplied by the applicable amount of Cash Scheme Consideration until such time as payment in accordance with clause 6.4 is permitted by the order or direction or otherwise permitted by law; or
- (iii) requires the issue of Contingent Value Notes to a third party in respect of Scheme Shares held by a particular Scheme Participant, which would otherwise be issued to that Scheme Participant by the Target in accordance with clause 6.5, then the Target may issue those Contingent Value Notes in accordance with that order or direction; or
- (iv) prevents the Target from issuing Contingent Value Notes to:
 - (A) any particular Scheme Participant in accordance with clause 6.5(b)(i); or
 - (B) to the Custodian in accordance with clause 6.5(b)(ii),

or such issue is otherwise prohibited by applicable law, the Target shall be entitled to not issue, or issue to a trustee or nominee, such number of Contingent Value Notes as that particular Scheme Participant or Custodian (as applicable) would otherwise be entitled to under clause 6.5(b), until such time as the issue in accordance with this clause 6 is permitted by that order or direction or otherwise by law.
- (b) The payment or retention by Target in accordance with clause 6.7(a)(i) or 6.7(a)(ii) will constitute full discharge of Target's obligations under clause 6.4(b) with respect of the amount so paid or retained until, in the case of clause 6.7(a)(ii), it is no longer required to be retained.
- (c) If the Target:
 - (A) issues Contingent Value Notes to a third party under clause 6.7(a)(iii), or
 - (B) does not issue, or issues to a trustee or nominee, Contingent Value Notes under clause 6.7(a)(iv),

the Bidder's obligations under clause 6.5(b) with respect to procuring the issue of those Contingent Value Notes will be fully discharged until, in the case of clause 6.7(a)(iv), such Contingent Value Notes are able to be issued to the particular Scheme Participant or the Custodian (as applicable).

6.8 Joint holders

In the case of Scheme Shares held in joint names:

- (a) any cheque required to be paid to Scheme Participants by Bidder must be payable to the joint holders and be forwarded to the holder whose name appears first in the Register as at the Record Date;
- (b) any certificate in relation to a Contingent Value Note required to be sent under this Scheme will be sent at the sole discretion of the Target, either

to the holder whose name appears first in the Share Register as at the Record Date or to the joint holders; and

- (c) any other document required to be sent under this Scheme will be forwarded, at the sole discretion of Target, either to the holder whose name appears first in the Register as at the Record Date or to joint holders.

6.9 Fractional Entitlements

Where the calculation of the aggregate amount of the Cash Scheme Consideration to be provided to a particular Scheme Participant would result in the Scheme Participant becoming entitled to a fraction of a cent the fractional entitlement will be rounded down (as applicable) to the nearest cent.

7 Dealings in Scheme Shares

7.1 Determination of Scheme Participants

To establish the identity of the Scheme Participants, dealings in Scheme Shares will only be recognised by Target if:

- (a) in the case of dealings of the type to be effected using CHESS, the transferee is registered in the Register as the holder of the relevant Scheme Shares on or before the Record Date; and
- (b) in all other cases, registrable transmission applications or transfers in registrable form in respect of those dealings are received on or before the Record Date at the place where the Register is kept.

7.2 Register

Target must register any registrable transmission applications or transfers of the Scheme Shares received in accordance with clause 7.1(b) on or before the Record Date.

7.3 No disposals after Effective Date

If this Scheme becomes Effective:

- (a) a Scheme Participant other than Founder Shareholders who have made a valid Election (and any person claiming through that holder) must not dispose of or purport or agree to dispose of any Scheme Shares or any interest in them after the Effective Date in any way except as set out in this Scheme and any such disposal will be void and of no legal effect whatsoever; and
- (b) Founder Shareholders who have made a valid Election may only dispose of or purport or agree to dispose of any Retained Shares in accordance with the Target Shareholders' Deed.

Except to the extent set out above, Target will not accept for registration or recognise for any purpose any transmission, application or transfer in respect of Scheme Shares received after the Record Date (except a transfer to Bidder pursuant to this Scheme and any subsequent transfer by Bidder or its successors in title) and any attempt to do so will have no effect and Target will be entitled to disregard any such disposal.

Attachment C

Scheme of Arrangement

7.4 Maintenance of Register

For the purpose of determining entitlements to the Scheme Consideration, Target will maintain the Register in accordance with the provisions of this clause 7 until the Scheme Consideration has been paid to the Scheme Participants (other than Founder Shareholders who have made a valid Election) and Bidder has been entered in the Register as the holder of all the Scheme Shares (other than the Retained Shares). The Register in this form will solely determine entitlements to the Scheme Consideration.

7.5 Effect of certificates and holding statements

Subject to provision of the Scheme Consideration and registration of the transfer to Bidder contemplated in clauses 5.2 and 7.4, any statements of holding in respect of Scheme Shares (other than Retained Shares) will cease to have effect after the Record Date as documents of title in respect of those shares (other than statements of holding in favour of Bidder and its successors in title). After the Record Date, each entry current on the Register in respect of Scheme Shares (other than Retained Shares) as at the Record Date (other than entries in respect of Bidder or its successors in title) will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of the Scheme Shares relating to that entry.

7.6 Details of Scheme Participants

Within three Business Days after the Record Date, Target will ensure that details of the names, Registered Addresses and holdings of Scheme Shares for each Scheme Participant, as shown in the Register at the Record Date are available to Bidder in such form as Bidder reasonably requires.

7.7 Quotation of Target Shares

Target will apply to ASX to suspend trading on ASX in Target Shares with effect from the close of trading on ASX on the Effective Date.

7.8 Termination of quotation of Target Shares

On a date after the Implementation Date to be determined by Bidder, Target will apply:

- (a) for termination of the official quotation of Target Shares on ASX; and
- (b) to have itself removed from the official list of the ASX.

8 Power of attorney

Each Scheme Participant, without the need for any further act by any Scheme Participant, irrevocably appoints Target and each of its directors and secretaries (jointly and each of them individually) as its attorney and agent for the purpose of:

- (a) executing any document necessary or expedient to give effect to this Scheme including the Share Scheme Transfer;
- (b) executing and delivering any deed or document required by Target or Bidder that causes each Founder Shareholder who has made a valid Election to be bound by the Target Shareholders' Deed; and
- (c) enforcing the Deed Poll against Bidder,

and Target accepts such appointment.

9 Notices

9.1 No deemed receipt

If a notice, transfer, transmission application, direction or other communication referred to in this Scheme is sent by post to Target, it will not be taken to be received in the ordinary course of post or on a date and time other than the date and time (if any) on which it is actually received at Target's registered office or at the office of the Target Registry.

9.2 Accidental omission

The accidental omission to give notice of a Scheme Meeting or the non-receipt of such a notice by any Target Shareholder will not, unless so ordered by the Court, invalidate a Scheme Meeting or the proceedings of a Scheme Meeting.

10 Bidder

10.1 References to Bidder

All references to "Bidder" in this document are references to each of Fund IVA, Fund IVC and Fund IVD2 (or any of their Bidder Nominees) and Co-Investment Trust A and Co-Investment Trust B:

- (a) individually and severally; and
- (b) in each of their respective Relevant Proportions or Bidder Nominee Proportions (as relevant).

10.2 Rights, obligations and liability

Notwithstanding any other provision of this document, the Scheme Implementation Agreement and the Deed Poll:

- (a) each of Fund IVA, Fund IVC and Fund IVD2 (or any of their Bidder Nominees), Co-Investment Trust A and Co-Investment Trust B is severally responsible and liable in its Relevant Proportion or Bidder Nominee Proportion (as relevant) for all obligations of Bidder under this document, the Scheme Implementation Agreement and the Deed Poll; and
- (b) all of the rights of Bidder under this document, the Scheme Implementation Agreement and the Deed Poll are exercisable severally by Fund IVA, Fund IVC and Fund IVD2 (or any of their Bidder Nominees) and Co-Investment Trust A and Co-Investment Trust B and any failure by any of them to exercise its rights under this document, the Scheme Implementation Agreement and the Deed Poll does not constitute a waiver by the others of their rights.

11 General

11.1 Variations, alterations and conditions

Target may, with the consent of Bidder (which cannot be unreasonably withheld), by its counsel or solicitor consent on behalf of all persons concerned (including,

Attachment C

Scheme of Arrangement

for the avoidance of doubt, all Scheme Participants) to any variations, alterations or conditions to this Scheme which the Court thinks fit to impose.

11.2 Binding effect of Scheme

To the extent of any inconsistency, this Scheme overrides the Target's constitution and binds Target and all of the Scheme Participants (including those who did not attend a Scheme Meeting and those who did not vote, or voted against this Scheme, at that meeting).

11.3 Further action by Target

Target will execute all documents and do all things (on its own behalf and on behalf of each Scheme Participant) necessary or expedient to implement, and perform its obligations under, this Scheme.

11.4 Authority and acknowledgement

Each of the Scheme Participants:

- (a) irrevocably consents to Target and Bidder doing all things necessary or expedient for or incidental to the implementation of this Scheme; and
- (b) acknowledges that this Scheme binds Target and all Scheme Participants (including those who do not attend a Scheme Meeting or do not vote at that meeting or vote against the Scheme at that Meeting) and, to the extent of any inconsistency and to the extent permitted by law, overrides the constitution of Target.

11.5 No liability when acting in good faith

Neither Target nor Bidder, nor any of their respective directors, officers or employees, will be liable for anything done or omitted to be done in the performance of this Scheme or the Deed Poll in good faith.

11.6 Enforcement of Deed Poll

Target undertakes in favour of each Scheme Participant to enforce the Deed Poll against Bidder on behalf of and as agent and attorney for the Scheme Participants.

11.7 Stamp duty

Bidder will:

- (a) pay all stamp duty (including any fines, penalties and interest) payable in connection with this Scheme or the Deed Poll; and
- (b) indemnify each Scheme Participant against any liability incurred by the Scheme Participant arising from failure to comply with clause 11.7(a).

12 Governing law

12.1 Governing law and jurisdiction

The law in force in the place specified in the Details governs this document. The parties submit to the non-exclusive jurisdiction of the courts of that place.

12.2 Serving documents

Without preventing any other method of service, any document in an action in connection with this document may be served on a party by being delivered or left at that party's address set out in the Details.

Attachment D

Note Trust Deed



Execution version

Contingent Value Note Trust Deed

Silver Chef Limited (ABN 28 011 045 828) (**Note Issuer**)

Melbourne Securities Corporation Limited (ABN 57 160 326 545) (**Note Trustee**)

Jones Day
Riverside Centre, Level 31
123 Eagle Street
Brisbane QLD 4000, Australia
Tel: 61 7 3085 7000
Fax: 61 7 3085 7099
www.jonesday.com

AUI-930633162v6

Contents

1. Definitions and interpretation	5
1.1 Definitions.....	5
1.2 Interpretation	9
2. Obligations conditional	10
3. Issue, Status and Voting	10
3.1 Issue.....	10
3.2 Status	10
3.3 Voting	11
4. Form and Title.....	11
4.1 Form	11
4.2 Title.....	11
4.3 No certificates.....	11
5. Redemption.....	11
5.1 Redemption Conditions	11
5.2 Indebtedness of Note Issuer	11
5.3 Redemption	12
5.4 Cancellation of Contingent Value Notes	12
5.5 Interest	12
6. The Register.....	12
7. Meetings.....	12
8. Events of Default.....	12
9. Enforcement	13
9.1 Enforcement by Note Trustee	13
9.2 Enforcement on direction of Noteholders.....	13
9.3 Indemnification of Note Trustee	13
9.4 Enforcement by Noteholders.....	13
9.5 Invalid resolution	13
9.6 No proceedings	14
10. Note Issuer Representations and Warranties	14
10.1 Representations and warranties	14
10.2 No other representation or warranty	14
10.3 Exclusion	14
11. Determination of Redemption Amount	15
11.1 Note Issuer to calculate amounts.....	15
11.2 Calculation of GoGetta Run Off Amount.....	15
11.3 GoGetta Premium	17
11.4 Note Issuer to exercise good faith.....	17
11.5 Appointment of Independent Assessor	17
11.6 Redemption Determination Notice final and binding.....	18
12. Undertakings	18

Attachment D

Note Trust Deed

12.1	Note Issuer undertakings	18
13.	Note Trustee Covenants	20
13.1	General	20
13.2	To act continuously as trustee	20
13.3	Note Trustee's Duties	20
13.4	No dispositions of assets except in accordance with Transaction Documents	20
13.5	Perform Transaction Documents	20
14.	Note Trustee Powers and Discretions	20
14.1	Powers of the Note Trustee	20
14.2	Enforcement	21
14.3	Legal Proceedings	21
14.4	Provision of information	21
14.5	Discretion of Note Trustee absolute	21
14.6	Note Trustee may be a Noteholder	21
14.7	Note Trustee reliance on information	21
14.8	Note Trustee not obliged to notify or investigate	22
14.9	Note Trustee may assume	22
14.10	No interference	22
14.11	Consents etc may be conditional	22
14.12	Note Trustee's responsibility for information	22
14.13	Deemed approval	22
15.	Note Trustee Limitation of Liability and Indemnity	23
15.1	Exclusion of liability	23
15.2	Indemnity from the Note Issuer	23
15.3	Limitation of liability	23
15.4	Release	24
15.5	Insurance	24
16.	Remuneration of Note Trustee	24
16.1	Fees	24
16.2	Reimbursement of costs	24
16.3	Priority of payments	25
16.4	Funds before acting	25
17.	Retirement and Appointment of Note Trustee	25
17.1	Right of Note Trustee to retire	25
17.2	Power of Note Issuer to appoint a new note trustee	25
17.3	Power of existing Note Trustee to appoint a new note trustee	26
17.4	Retirement, death or removal of Note Trustee	26
17.5	Release of Note Trustee	26
18.	Acknowledgement of Trust	26
18.1	Trust	26
18.2	Order of Priority	27
19.	Termination of Note Trust	27

19.1	Termination events.....	27
19.2	Disposal and distribution of trust assets on termination	27
19.3	Untraceable Noteholders	27
19.4	Release	28
20.	Notices	28
20.1	How to give a Notice	28
20.2	When effective.....	29
21.	Amendments.....	29
21.1	Amendments with Noteholder approval	29
21.2	Amendments without Noteholder approval.....	29
22.	Lodgement of documents by Noteholders	30
23.	Taxes	30
23.1	Definitions.....	30
23.2	General.....	30
23.3	GST	31
24.	General Provisions	31
24.1	Deemed terms.....	31
24.2	No liability for loss	31
24.3	Waivers, remedies cumulative	31
24.4	Indemnities.....	32
24.5	Rights and obligations unaffected	32
24.6	Inconsistent law.....	32
24.7	Severability of provisions	32
24.8	Entire agreement.....	32
24.9	Counterparts.....	32
24.10	Inspection of this document and copies of this document	32
24.11	Governing law, jurisdiction and service of process	32
24.12	Noteholders bound	32
24.13	Liability	33
24.14	Entitlement to enforce	33
24.15	Independent enforcement	33
24.16	Accounting procedures	33
24.17	Deed.....	33
Schedule 1		
	Terms of Issue	34
Schedule 2		
	The Register	40
Schedule 3		
	Meetings	43
Schedule 4		
	Redemption Determination Notice	48
Schedule 5		

Attachment D
Note Trust Deed

Instruction Letter 49

Signing page..... 51

Contingent Value Note Trust Deed

Date 19 July 2019

Parties

Note Issuer Silver Chef Limited (ABN 28 011 045 828) of Park Tower, 20 Pidgeon Close, West End, QLD 4101

Note Trustee Melbourne Securities Corporation Limited (ABN 57 160 326 545) of Level 2, 120 Collins Street, Melbourne, VIC 3000

- Recitals**
- A. The Note Issuer wishes to issue Contingent Value Notes in accordance with the terms of this document.
 - B. The Note Issuer appoints the Note Trustee and the Note Trustee accepts the appointment as trustee for the Noteholders on the terms contained in this document.
 - C. The obligations of each party under this document are subject to and conditional upon the Scheme becoming Effective.

It is agreed as follows.

1. Definitions and interpretation

1.1 Definitions

The following definitions apply unless the context requires otherwise.

Accounts means profit and loss accounts, balance sheets and cashflow statements together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them.

ASIC means the Australian Securities and Investments Commission.

Auditors means the independent auditors of the Note Issuer from time to time.

Authorisation means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, lodgement or registration required by any Government Agency or any law; 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.

Bidder means:

Attachment D

Note Trust Deed

- (a) Next Capital Services IVA Pty Limited (ACN 629 199 391) as trustee for Next Capital Trust IVA;
- (b) Next Capital Services IVC Pty Limited (ACN 629 199 426) as trustee for Next Capital Trust IVC;
- (c) Next Capital Services IVD2 Pty Limited (ACN 629 199 408) as trustee for Next Capital Trust IVD2,

or their respective nominees (if any) nominated in accordance with the terms of the Scheme Implementation Agreement; and

- (d) Next Capital (Services A) Pty Limited (ACN 115 384 300) as trustee for the Apollo Co-Investment Trust; and
- (e) Next Capital (Services B) Pty Limited ACN (117 027 853) as trustee for Apollo Co-investment Trust B.

Business Day means a day on which banks are open for business in Brisbane, Australia, excluding Saturdays and Sundays.

Corporations Act means the *Corporations Act 2001* (Cth).

Contingent Value Note means an unsecured note issued by the Note Issuer under this document and for the time being outstanding, and a reference to a Contingent Value Note that is outstanding as at a particular date means a Contingent Value Note that has not been redeemed, or otherwise cancelled, prior to that date.

Court means the Supreme Court of Queensland.

Custodian means Melbourne Securities Corporation Limited (ABN 57 160 326 545) in its capacity as custodian under the Custody Agreement.

Custody Agreement means the Custody Agreement executed by the Custodian and the Note Issuer dated on or about the date of this Deed.

Deed Poll means the deed poll executed by the Bidder in the form set out in Annexure C of the Scheme Implementation Agreement.

Determination Date means 30 June 2021.

Director means a person appointed to the office of director of the Note Issuer and includes any alternate director duly appointed and acting as director.

Effective, when used in relation to the Scheme, means the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) in relation to the Scheme, but in any event at no time before an office copy of the order of the Court is lodged with ASIC.

Effective Date means the date on which the Scheme becomes Effective.

Enforcement Action means:

- (a) taking action in relation to the enforcement of an Event of Default;
- (b) requiring the Note Issuer to take action in relation to an Event of Default, including steps to remedy such Event of Default;
- (c) bringing a claim against the Note Issuer in relation to an Event of Default;

- (d) entering into any agreement or arrangement with the Note Issuer in relation to an Event of Default; or
- (e) petitioning, applying or voting for, or taking any steps (including the appointment of any liquidator, receiver, administrator or similar officer) in relation to the winding up, dissolution, administration or reorganisation of the Note Issuer.

Event of Default means each of the events set out in clause 8.

Financial Half Year means a financial half year of the Note Issuer beginning on 1 July in each year and ending on the following 31 December or beginning on 1 January in each year and ending on the following 30 June.

Financial Year means a financial year of the Note Issuer beginning on 1 July in each year and ending on the following 30 June

GoGetta Premium means the amount calculated according to the following formula:

$$(A - \$10,000,000) \times 0.5 \times (1 - B)$$

Where

A = GoGetta Run Off Amount;

B = the number of Retained Shares divided by the aggregate number of Scheme Shares as at the Record Date.

GoGetta Run Off Amount means the amount calculated in accordance with clause 11.2.

Government Agency means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any State, and any other federal, state, provincial, or local government, whether foreign or Australian.

GST has the meaning given in clause 23.1.

Independent Assessor means an independent assessor appointed by the Note Issuer who has appropriate experience and qualifications to conduct the verifications required under this Deed.

Independent Review means the independent verification review of the proposed GoGetta Run Off Amount and Redemption Amount calculated by the Note Issuer, to be undertaken by the Independent Assessor in accordance with clause 11 and the Instruction Materials.

Ineligible Foreign Shareholder has the meaning given in the Scheme.

Insolvency Event means in relation to a person:

- (a) **insolvency official**: the appointment of a liquidator, provisional liquidator, administrator, statutory manager, controller, receiver, receiver and manager or other insolvency official (whether under an Australian law or a foreign law) to the person or to the whole or a substantial part of the property or assets of the person and the action is not stayed, withdrawn or dismissed within 14 days;
- (b) **arrangements**: the entry by the person into a compromise or arrangement with its creditors generally;

Attachment D

Note Trust Deed

- (c) **winding up:** the calling of a meeting to consider a resolution to wind up the person (other than where the resolution is frivolous or cannot reasonably be considered to be likely to lead to the actual winding up of the person) or the making of an application or order for the winding up or deregistration of the person other than where the application or order (as the case may be) is set aside or withdrawn within 14 days;
- (d) **suspends payments:** the person suspends or threatens to suspend payment of its debts as and when they become due;
- (e) **ceasing business:** the person ceases or threatens to cease to carry on business;
- (f) **insolvency:** the person is or becomes unable to pay its debts when they fall due within the meaning of the Corporations Act or is otherwise presumed to be insolvent under the Corporations Act;
- (g) **deregistration:** if the person is a company, the person being deregistered as a company or otherwise dissolved;
- (h) **deed of company arrangement:** the person executing a deed of company arrangement;
- (i) **person as trustee or partner:** the person incurs a liability while acting or purporting to act as trustee (or co-trustee) or general partner of a trust or partnership (including a limited partnership) and the person is not entitled to be fully indemnified against the liability out of trust or partnership assets because of one or more of the following:
 - (i) a breach of trust or obligation as partner by the person;
 - (ii) the person acting outside the scope of its powers as trustee or partner;
 - (iii) a term of the trust or partnership denying, or limiting, the person's right to be indemnified against the liability; or
 - (iv) the assets of the trust or partnership being insufficient to discharge the liability,
 which results in a material adverse change to the person's financial position; or
- (j) **analogous events:** anything analogous to those set out in any of paragraphs (a) to (i) inclusive occurs in relation to the person under the laws of a foreign jurisdiction.

Instruction Letter means the Instruction Letter set out in Schedule 5.

Instruction Materials means the terms in this document, the Terms of Issue, the Instruction Letter and the pro-forma Redemption Determination Notice.

Note Trust means the trusts declared in this document.

Noteholder in relation to a Contingent Value Note, means, at any time, the person whose name is entered into the Register as the holder of that Contingent Value Note.

Noteholder Record Date means 5.00 pm Brisbane time on the Determination Date.

Recovered Moneys means the aggregate amount received or recovered by the Note Trustee under the Transaction Documents in its capacity as trustee for Noteholders.

Redemption Amount means the amount to redeem a Contingent Value Note, being the GoGetta Premium divided by the total number of Contingent Value Notes on issue, as set out in the Redemption Determination Notice (rounded to the nearest cent).

Redemption Conditions means the redemption conditions set out in clause 5.1.

Redemption Determination Notice means the notice given by Independent Assessor to the Note Issuer substantially in the form of Schedule 4 which sets out the Redemption Amount.

Register means the register of persons who hold Contingent Value Notes required to be kept and updated by or on behalf the Note Issuer in accordance with clause 6, Schedule 1, and the Corporations Act, and includes any branch register, provided that, in the event of any inconsistency, the principal register will prevail over any sub-register or branch register.

Related Body Corporate has the meaning given in the Corporations Act.

Retained Shares has the meaning given to that term in the Scheme.

Scheme means the scheme of arrangement under part 5.1 of the Corporations Act under which all the Silver Chef Shares (other than the Retained Shares) will be transferred to Bidder substantially in the form of Annexure B of the Scheme Implementation Agreement, together with any amendment or modification made pursuant to section 411(6) of the Corporations Act.

Scheme Shares has the meaning given to that term in the Scheme.

Scheme Implementation Agreement means the Scheme Implementation Agreement dated 3 July 2019 between Note Issuer and the Bidder.

Record Date means 5.00pm on the 5th Business Day following the Effective Date or such other date as Note Issuer and Bidder agree.

Silver Chef Share means an issued fully paid ordinary share in the capital of Note Issuer.

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. It includes income tax, withholding tax, GST and other similar Taxes.

Terms of Issue means the terms of issue of the Contingent Value Notes, as set out in Schedule 1.

Transaction Document means:

- (a) any Contingent Value Note;
- (b) this document;
- (c) any document or agreement which the Note Issuer and the Note Trustee (acting on the instructions of all Noteholders) at any time agree is to be a Transaction Document for the purposes of this document; or
- (d) any document or agreement entered into under, or for the purposes of amending or novating, any of the documents referred to in paragraphs (a) to (c) above.

Trustee Company means a corporation which satisfies the requirements of section 283AC of the Corporations Act.

1.2 Interpretation

In this deed, the following rules of interpretation apply unless the context requires otherwise:

- (a) headings are for convenience only and do not affect interpretation;

Attachment D

Note Trust Deed

- (b) the singular includes the plural and vice versa;
- (c) a gender includes other genders;
- (d) another grammatical form of a defined word or expression has a corresponding meaning;
- (e) a reference to a person includes a natural person, a body corporate, a corporation, a trust, a partnership, an unincorporated association or any other entity;
- (f) a reference to a person includes a reference to the person's successors, administrators, executors, and permitted assigns and substitutes;
- (g) a reference to legislation includes regulations and other instruments issued under it and consolidations, amendments, modifications, re-enactments or replacements of any of them;
- (h) a reference to a clause, schedule or annexure is to a clause of, or schedule or annexure to, this deed;
- (i) a reference to a document (including this deed) includes any amendment, variation, replacement or novation of it;
- (j) the meaning of general words is not limited by using the words "including", "for example" or similar expressions;
- (k) a reference to dollars, AUD, \$ or A\$ is a reference to the lawful currency of Australia;
- (l) a reference to time is a reference to time in Brisbane, Australia;
- (m) nothing in this deed is to be construed to the disadvantage of a party because that party prepared it or any part of it;
- (n) a reference to a day (including a Business Day) means a period of time commencing at midnight and ending 24 hours later; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

2. Obligations conditional

The provisions of this document (except for this clause 2) are subject to and conditional upon the Scheme becoming Effective.

3. Issue, Status and Voting

3.1 Issue

The Note Issuer must create and issue Contingent Value Notes in accordance with the terms of the Scheme, the Deed Poll, this document and the Terms of Issue.

3.2 Status

The Contingent Value Notes will:

- (a) rank equally in all respects (including as to payment) as between themselves;
- (b) be unsecured;

- (c) be issued in accordance with the Scheme; and
- (d) be created and issued under and subject to the terms set out in this document.

3.3 Voting

Noteholders are not entitled (in their capacity as Noteholders) to:

- (a) receive notice of a general meeting of the Note Issuer;
- (b) attend a general meeting of the Note Issuer; or
- (c) vote at a general meeting of the Note Issuer or otherwise on a matter on which an ordinary shareholder of the Note Issuer is entitled to vote.

4. Form and Title

4.1 Form

- (a) The Note Issuer's and the Note Trustee's obligations in relation to the Contingent Value Notes are constituted by, and specified in, this document and become effective on entry in the Register of the details of those Contingent Value Notes.
- (b) The Contingent Value Notes are 'unsecured notes' for the purposes of section 283BH of the Corporations Act.

4.2 Title

The Register is conclusive evidence of ownership of Contingent Value Notes, subject to correction for fraud or error. Except as required by law, the Note Issuer and the Note Trustee must treat the person entered in the Register as the holder of a Contingent Value Note as the absolute owner of that Contingent Value Note. This clause 4.2 applies despite any notice of ownership, trust or interest in the Contingent Value Note.

4.3 No certificates

No certificates will be issued to Noteholders unless the Note Issuer determines that certificates should be available or are required by any applicable law.

5. Redemption

5.1 Redemption Conditions

The Contingent Value Notes will only be redeemable if:

- (a) the Independent Assessor has completed the Independent Review and issued the Redemption Determination Notice in accordance with clause 11 and the Instruction Materials; and
- (b) the Redemption Amount is greater than \$0,

(Redemption Conditions).

5.2 Indebtedness of Note Issuer

The Note Issuer acknowledges that upon all of the Redemption Conditions being satisfied, the Note Issuer will be indebted to each Noteholder in respect of the Redemption Amount for each Contingent Value Note held by the Noteholder as at 5.00pm on the Noteholder Record Date, and must redeem the Contingent Value Notes in accordance with the Terms of Issue

Attachment D

Note Trust Deed

and this document in satisfaction of its obligation to pay the Redemption Amount in respect of each Contingent Value Note.

5.3 Redemption

- (a) If the Redemption Conditions are satisfied, the Note Issuer must:
 - (i) within 5 Business Days after the date on which the Redemption Conditions were satisfied:
 - (A) notify the Note Trustee in writing that the Redemption Conditions have been satisfied; and
 - (B) give to the Note Trustee (if not already provided) a copy of the Redemption Determination Notice; and
 - (ii) redeem the Contingent Value Notes by paying to each Noteholder, who is a Noteholder on the Noteholder Record Date, the aggregate total Redemption Amount for all Contingent Value Notes held by the Noteholder on the Noteholder Record Date, rounded up or down to the nearest whole cent, within 14 days of receiving the Redemption Determination Notice.
- (b) The Note Issuer must notify the Note Trustee in writing when the Note Issuer has made all of the payments in accordance with clause 5.3(a)(ii).

5.4 Cancellation of Contingent Value Notes

All Contingent Value Notes will be cancelled when any of the following occur:

- (a) all of the Contingent Value Notes have been redeemed;
- (b) the Redemption Amount has been paid in respect of each outstanding Contingent Value Note;
- (c) where no Redemption Amount is payable because the Redemption Conditions have not been satisfied; or
- (d) this document is terminated in accordance with its terms.

5.5 Interest

No interest is payable on the Contingent Value Notes.

6. The Register

The Note Issuer must establish and maintain or cause to be established and maintained a register in accordance with Schedule 2.

7. Meetings

Schedule 3 will apply in respect of meetings of Noteholders.

8. Events of Default

Each of the following is an Event of Default (whether or not it is in the control of the Note Issuer):

- (a) **(Failure to pay Redemption Amount):** if following satisfaction of the Redemption Conditions, the Note Issuer fails to pay the Redemption Amount in respect of any

Contingent Value Note in accordance with this document and such failure continues unremedied for a period of 5 Business Days;

- (b) **(Administration, winding up, insolvency etc)** an Insolvency Event occurs in respect of the Note Issuer prior to payment of the Redemption Amount; and
- (c) **(Breach)** the Note Issuer is in breach of any material undertaking under this document or the Terms of Issue (other than those referred to elsewhere in this clause 8), which breach is not rectified to the reasonable satisfaction of the Note Trustee within 20 Business Days of notice by the Note Trustee to do so.

9. Enforcement

9.1 Enforcement by Note Trustee

The Note Trustee may take any Enforcement Action in relation to an Event of Default or otherwise enforce this document in any other circumstances and in its absolute discretion.

9.2 Enforcement on direction of Noteholders

At any time after the occurrence of an Event of Default the Note Trustee must, subject to clauses 9.3 and 9.6, take Enforcement Action or proceedings against the Note Issuer, where all the following conditions are satisfied:

- (a) the Note Trustee has convened a meeting of Noteholders, in accordance with clause 1 of Schedule 3;
- (b) a resolution of Noteholders passed in accordance with clause 13(b) of Schedule 3 directing the Note Trustee to take the Enforcement Action, commence proceedings or to join in proceedings, as the case may be; and
- (c) the Note Trustee is not of the view that such enforcement is inconsistent with the Terms of Issue, this document or the Corporations Act or is otherwise objectionable.

9.3 Indemnification of Note Trustee

The Note Trustee is not required to take any action as contemplated by clause 9.2, unless it has a satisfactory indemnity or protection from the Noteholders against:

- (a) all actions, proceedings, claims and demands to which the Note Trustee may render itself liable by taking such Enforcement Action; and
- (b) all costs, charges, damages and expenses which the Note Trustee may thereby incur.

9.4 Enforcement by Noteholders

A Noteholder can only take action or proceedings against the Note Issuer or enforce any provision of this document following the making of a binding direction in accordance with clause 9.2, if 15 Business Days have lapsed since the date on which the Noteholder gave written notice to the Note Trustee that it intended to commence such action or proceedings (with such notice to specify the details of its claim and the basis of its claim) and the Note Trustee has not commenced such action or proceedings as a result of the binding direction of the Noteholders made in accordance with clause 9.2.

9.5 Invalid resolution

The Note Trustee is entitled to act on, and will not be in any way responsible for acting on, a resolution purporting to have been passed at any meeting of Noteholders where minutes of

Attachment D

Note Trust Deed

the relevant meeting have been made, signed and provided to the Note Trustee even though it may subsequently be found that there was some defect in the constitution of the meeting or that the passing of the resolution was not valid or binding on any of those Noteholders whom it purports to bind or on the Note Trustee.

9.6 No proceedings

Notwithstanding any other provisions of this clause 9, the Note Trustee may not institute any proceedings against the Note Issuer during any period during which the Note Issuer fails or refuses to redeem the Contingent Value Notes in order to comply with:

- (a) any law; or
- (b) any order of any court of competent jurisdiction.

10. Note Issuer Representations and Warranties

10.1 Representations and warranties

The Note Issuer makes the following representations and warranties in favour of the Note Trustee and the Noteholders on the date of this document and repeats them on the date of issue of the Contingent Value Notes:

- (a) **(status)** it is a corporation validly existing under the laws of the place of its incorporation;
- (b) **(power)** it has the power to enter into and perform its obligations under this document and to issue and perform its obligations under the Contingent Value Notes;
- (c) **(corporate authorisations)** it has taken all necessary corporate action to authorise the entry into and performance of this document and the issue and performance of the Contingent Value Notes;
- (d) **(documents binding)** each Transaction Document to which it is party is its valid and binding obligation enforceable in accordance with its terms;
- (e) **(solvency)** no Insolvency Event has occurred in relation to it;
- (f) **(no contravention or exceeding power)** the Transaction Documents and the transactions under them which involve it do not contravene its constituent documents or any law or obligation to which it is bound or to which any of its assets are subject or cause a limitation on its powers or the powers of its directors to be exceeded; and
- (g) **(adequate funds)** it has adequate funds (or access to such funds) to meet payments that fall due under each Transaction Document.

10.2 No other representation or warranty

Other than as set out in clause 10.1 or as otherwise expressly contained in this document or the Terms of Issue, the Note Issuer does not make any representation or warranty, express or implied, in relation to or in connection with the Contingent Value Notes.

10.3 Exclusion

To the maximum extent permitted by law, the Note Trustee agrees on behalf of each Noteholder not to make and to waive any right it may have to make a claim against the Note Issuer under sections 1041H or 1041I of the Corporations Act, or any corresponding provision of any enactment in another jurisdiction (including any state or territory of Australia), in relation to or in connection with the Contingent Value Notes.

11. Determination of Redemption Amount

11.1 Note Issuer to calculate amounts

Within 60 days of the Determination Date, the Note Issuer must:

- (a) determine the proposed GoGetta Run Off Amount and Redemption Amount; and
- (b) provide:
 - (i) the Instruction Materials;
 - (ii) the calculations for the proposed GoGetta Run Off Amount and Redemption Amount; and
 - (iii) all information reasonably required to verify and review the GoGetta Run Off Amount and Redemption Amount,

to the Independent Assessor.

11.2 Calculation of GoGetta Run Off Amount

The GoGetta Run Off Amount is to be determined as follows:

- (a) \$6,350,000 (being cash reserves generated by the GoGetta Business as at the date of the Scheme Implementation Agreement retained by the Note Issuer for Hospitality working capital);
- (b) plus Gross Cash;
- (c) less Operating Costs;
- (d) less the Tranche B Debt;
- (e) less any costs and expenses associated with the review or investigation by ASIC (or any other regulatory body) into the lending practices or operations of the GoGetta Business (inclusive of legal fees, expenses and costs associated with any regulatory action, customer claims, litigation, remediation obligations, statutory penalties, enforceable undertaking, settlement, fines or penalties or orders imposed by a court);
- (f) less GoGetta Debt;
- (g) less any Apportioned Taxes;
- (h) less any Third Party Fees; and
- (i) less any costs and expenses associated with administering the Contingent Value Notes and the distribution of the Redemption Amount,

(GoGetta Run Off Amount).

Capitalised terms when used in this clause 11.2 have the meanings given below:

Apportioned Taxes means GoGetta's share of:

- (a) cash income tax that has been paid by the Silver Chef Consolidated Tax Group in respect of the period between the date of the Scheme Implementation Agreement and 30 June 2020; and

Attachment D

Note Trust Deed

- (b) the Note Issuer's reasonable estimate of cash income tax payable by the Silver Chef Consolidated Tax Group for the period between 1 July 2020 and 30 June 2021,

where GoGetta's share of such cash income tax is determined by reference to the net profit before tax of the GoGetta Business on a standalone basis divided by the total consolidated profit before tax of the Silver Chef Consolidated Tax Group in the periods referred to in paragraphs (a) and (b), calculated in accordance with the accounting policies and principles applied by Note Issuer as at the date of the Scheme Implementation Agreement. For the avoidance of doubt, GoGetta's share of such cash income tax cannot be less than 0% or more than 100% of the cash income tax of the Silver Chef Consolidated Tax Group.

Consolidated Group has the same meaning as in the Tax Act.

Contracts means customer contracts entered into by GoGetta.

Excluded Costs means, subject to subparagraph (b) of the definition of Operating Costs below, any costs that may be attributable to directors or senior management of Note Issuer in considering or overseeing the run-down of the GoGetta Business, including time spent considering the GoGetta Business or a sale of the GoGetta Business or assets or Contracts of GoGetta at board or management meetings.

GoGetta means GoGetta Equipment Financing Pty Ltd (ACN 124 102 647).

GoGetta Business means the equipment and asset funding and rental business known as "GoGetta" operated by GoGetta as at the date of the Scheme Implementation Agreement.

GoGetta Debt means any other liabilities of GoGetta as at the date of the Scheme Implementation Agreement or that arise in the ordinary course of operating the GoGetta Business and that have not been discharged as at the Determination Date.

Gross Cash means the gross cash proceeds generated from running-down the GoGetta Business (excluding for the avoidance of doubt any gross cash proceeds generated from assets that have been sold into the Group's Warehouse Facility with Westpac) between the period from the date of the Scheme Implementation Agreement up to the Determination Date (both dates inclusive) including cash, non-cash and deferred consideration (determined at fair market value) received from:

- (a) the performance of the Contracts;
- (b) the sale, assignment, novation or transfer of Contracts or any rights under the Contracts;
- (c) the rental, sale, use, licensing, assignment or transfer of any tangible or intangible assets owned by GoGetta; or
- (d) insurance proceeds in respect of any Contracts or assets.

Operating Costs means the operating costs of the GoGetta Business between the period from the date of the Scheme Implementation Agreement up to the Determination Date (both dates inclusive), including:

- (a) direct employee costs;
- (b) costs payable to Michael Cronan under his employment arrangements with the Note Issuer (as in place from time to time) that relate to the proportion of Michael Cronan's time spent in relation to running down the GoGetta Business (as determined by the Note Issuer acting reasonably) including but limited to:

- (i) a reasonable proportion of salary, superannuation, bonuses and success fees during the period that Michael Cronan spends at least 10 hours per week on the GoGetta Business or until Michael Cronan has entered into a new employment agreement with the Company in respect of a new role; and
- (ii) any bonuses, success fees or similar that are payable to Michael Cronan that are directly attributable to running down the GoGetta Business;
- (c) repossession costs;
- (d) brokerage fees;
- (e) insurance costs;
- (f) funding costs;
- (g) bonds applied; and
- (h) other costs directly associated with the GoGetta Business incurred in the ordinary course of running down the GoGetta Business,

but excluding any Excluded Costs.

Silver Chef Consolidated Tax Group means the Consolidated Group of which Note Issuer is the head company (as defined for the purposes of the Tax Act).

Tax Act means the *Income Tax Assessment Act 1936* (Cth) or the *Income Tax Assessment Act 1997* (Cth), or both as the context requires.

Third Party Fees means any fees payable by the Note Issuer to:

- (a) the Note Trustee under the terms of this Deed;
- (b) the Custodian under the terms of the Custody Agreement; and
- (c) the Independent Assessor under the terms of appointment of the Independent Assessor.

Tranche B Debt means the balance of any amounts owing under Facility B (as that term is defined in the Syndicated Facility Agreement dated 7 August 2015 and amended and restated by Second Amendment Deed dated 29 March 2018) as at the last day of the calendar month immediately preceding the date of the Scheme Implementation Agreement.

11.3 GoGetta Premium

No GoGetta Premium is payable if the GoGetta Run-off Amount is less than \$10,000,000.

11.4 Note Issuer to exercise good faith

Any decision by Note Issuer following the issue of Contingent Value Notes to dispose of the GoGetta Business assets must be made in good faith based on bona fide commercial considerations and not with the intention to circumvent the obligation to pay the Redemption Amount.

11.5 Appointment of Independent Assessor

- (a) No later than 3 months before the Determination Date, the Note Issuer must appoint the Independent Assessor for the purposes of verifying the GoGetta Run Off Amount and Redemption Amount (**Independent Review**).

Attachment D

Note Trust Deed

- (b) The terms of appointment of the Independent Assessor must include the following:
- (i) the Independent Assessor must be provided with, and instructed to complete the Independent Review substantially in accordance with, the Instruction Materials;
 - (ii) the Note Issuer must take all reasonable steps to procure that the Independent Assessor is provided with all information required to complete the Independent Review;
 - (iii) the Independent Review must be completed in accordance with the timeframe specified in the Instruction Letter;
 - (iv) the Independent Assessor must be provided with access to and must be able to consult with representatives of the Note Issuer as is reasonably required in order to conduct the Independent Review;
 - (v) the Independent Assessor must be obliged to deliver to the Note Issuer its draft report and final report outlining the Independent Review within the time frame set out in clause 11.5(b)(iii) above; and
 - (vi) the Independent Assessor must be obliged to determine the Redemption Amount and provide the Redemption Determination Notice to the Note Issuer and the Note Trustee at the same time it gives its final report outlining the Independent Review to the Note Issuer.

11.6 Redemption Determination Notice final and binding

- (a) Absent any manifest error or fraud, the determination of the Independent Assessor as set out in the Redemption Determination Notice will be final and binding on all parties.
- (b) The Note Trustee's obligations in relation to the Independent Review will be discharged when the Note Trustee receives the Redemption Determination Notice.
- (c) The Note Trustee and the Noteholders agree that nothing in this document implies a right for the Note Trustee or the Noteholders to receive confidential information about the GoGetta Business, GoGetta Run Off Amount or the Independent Review.

12. Undertakings

12.1 Note Issuer undertakings

The Note Issuer undertakes to the Note Trustee and each Noteholder that it will:

- (a) **(no further issues)** not issue any additional or new Contingent Value Notes without the consent of the Noteholders by special resolution at a meeting of Noteholders;
- (b) **(conduct business)** carry on and conduct its business (if any) in a proper and efficient manner;
- (c) **(keep accounts)** keep or cause to be kept proper books of account and enter into those books full particulars of all dealings and transactions in relation to its business;
- (d) **(allow inspection)** make available for inspection by:
 - (i) the Note Trustee;
 - (ii) an officer or employee of the Note Trustee authorised by the Note Trustee to carry out the inspection; or

- (iii) a registered company auditor appointed by the Note Trustee to carry out the inspection,

the whole of its financial and other records and will give to them any information, explanation or other assistance as they require with respect to any matters relating to those records;

- (e) **(provide accounts)** provide the following:
 - (i) without charge, to the Note Trustee, to each Noteholder who requests it in accordance with section 318(2) of the Corporations Act, and to each Ineligible Foreign Shareholder who requests it, a copy of the Note Issuer's consolidated audited Accounts in respect of each Financial Year and a copy of the Note Issuer's annual report for that Financial Year, at the time required by the Corporations Act;
 - (ii) without charge, to the Note Trustee, a copy of the Note Issuer's consolidated Accounts in respect of each Financial Half Year at the time required by the Corporations Act; and
 - (iii) whenever requested by the Note Trustee, to the Note Trustee or any person authorised by the Note Trustee to receive it, such information as the Note Trustee reasonably considers necessary in relation to all matters necessary for the purposes of the discharge of the duties, trusts and powers vested in the Note Trustee under this document or imposed upon it by law;
- (f) **(provide quarterly reports)** provide to the Note Trustee within one month after the end of each calendar quarter the report required by section 283BF(4) of the Corporations Act;
- (g) **(give notices)** notify the Note Trustee:
 - (i) if it creates a security interest, within 21 days after the charge is created, and if the total amount to be advanced on the security of the security interest is indeterminate and the advances are not merged in a current account with bankers, trade creditors or anyone else, the notice must contain written details of the amount of each advance within seven days after it is made;
 - (ii) as soon as reasonably practical after it becomes aware that the Scheme Implementation Agreement has been terminated or will be terminated;
 - (iii) as soon as it becomes aware of any Event of Default;
 - (iv) as soon as it becomes aware that any provision of this document or a Contingent Value Note is not being, or cannot be, complied with by the Note Issuer, together with details of that breach; and
 - (v) as soon as reasonably practicable if the Note Issuer intends to redeem or acquire any Contingent Value Note;
- (h) **(provide documents)** promptly give the Note Trustee copies of all documents and notices received by it from any Noteholder or which it gives to a Noteholder;
- (i) **(provide copy of this document)** without charge, provide a copy of this document to the Note Trustee, a Noteholder or an Ineligible Foreign Shareholder if they request a copy;
- (j) **(further assurances)** do all things and execute all deeds, instruments and other documents as may be necessary or desirable to give full effect to this document and the Terms of Issue in favour of the Note Trustee and the Noteholders; and

Attachment D

Note Trust Deed

- (k) otherwise comply with all statutory and regulatory requirements applicable to it (including under Chapter 2L of the Corporations Act) to the extent they relate to its obligations under this document.

13. Note Trustee Covenants

13.1 General

The provisions contained in this clause 13 are for the benefit of the Noteholders.

13.2 To act continuously as trustee

The Note Trustee must act continuously as trustee of the Note Trust until the Note Trust is terminated as provided by this document or the Note Trustee has retired or been removed from office in the manner provided under this document or, if applicable, the Corporations Act.

13.3 Note Trustee's Duties

- (a) The Note Trustee must comply with the duties imposed on it under the Corporations Act and will observe and perform the covenants and obligations of this document.
- (b) On receipt of a written request from a Noteholder, the Note Trustee must make available a copy of the Redemption Determination Notice provided to it under clause 11.6(a) to that Noteholder.

13.4 No dispositions of assets except in accordance with Transaction Documents

Except as provided or permitted in any Transaction Document, the Note Trustee must not, nor will it permit any of its officers to, sell, mortgage, charge or otherwise encumber or part with possession of any asset of the Note Trust.

13.5 Perform Transaction Documents

The Note Trustee must properly perform the functions which are required of it under all Transaction Documents in respect of the Note Trust.

14. Note Trustee Powers and Discretions

14.1 Powers of the Note Trustee

Subject to this document, the Note Trustee may exercise any of the following powers (in addition to those powers of trustees arising under any law):

- (a) **(delegate)** delegate to any person the trusts, powers or discretions vested in the Note Trustee by this document, including this right of delegation, on such terms and conditions as the Note Trustee, in the interests of Noteholders, thinks fit;
- (b) **(waive as instructed)** on the instructions of the Noteholders by special resolution, waive any breach by the Note Issuer of any of the covenants or obligations binding on it under this document on such terms as the Noteholders instruct;
- (c) **(waive without instruction)** waive any minor breach of a formal, technical or administrative nature by the Note Issuer of any of the covenants or obligations binding on it under this document on such terms as the Note Trustee thinks fit, provided that the Note Trustee believes on reasonable grounds that the Noteholders will not be materially prejudiced as a result of granting such waiver;

- (d) **(rely on advice)** rely on the advice of any barrister, solicitor or accountant or any other expert obtained by the Note Trustee or by the Note Issuer; and
- (e) **(interpret this document)** determine all questions and matters of doubt arising in relation to any of the provisions of this document, and every such determination whether made on a question actually raised or implied in the acts or proceedings under this document is conclusive and binding on the Noteholders, the Note Issuer, and all persons claiming through them.

14.2 Enforcement

Subject to the other terms of this document, at any time after any Contingent Value Notes have become payable, the Note Trustee, acting on the instructions of Noteholders by ordinary resolution and without further notice to the Note Issuer, may institute such proceedings against any person as it may think fit to enforce payment of the Contingent Value Notes and recover any other moneys owing under this document, but need not and must not take any action other than as specified in clause 9.

14.3 Legal Proceedings

The Note Trustee may apply to any court for directions in relation to any question and may assent to and approve or oppose any application to any court made by or at the instance of any Noteholder.

14.4 Provision of information

Nothing contained in this document will impose on the Note Trustee an obligation to inform any Noteholders of any breach by the Note Issuer of any provision of this document.

14.5 Discretion of Note Trustee absolute

Subject to clause 9, the Note Trustee will, as regards all the powers, authorities and discretions vested in it by this document, have absolute and uncontrolled discretion as to the exercise of them in all respects.

14.6 Note Trustee may be a Noteholder

- (a) Nothing in this document will prohibit the Note Trustee from being a Noteholder or from acting in any representative capacity for a Noteholder, including so acting 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 will acting in any such capacity be deemed a breach of the obligations arising out of the fiduciary relationship between the Note Trustee on the one hand and the Noteholders on the other which is established under this document or otherwise imposed or applied by law.
- (b) The Note Trustee will not by reason of its fiduciary capacity be prevented from making any contracts or entering into any transactions with the Note Issuer or any of its Related Bodies Corporate.

14.7 Note Trustee reliance on information

The Note Trustee is:

- (a) entitled to accept a certificate signed by any two Directors as to any factual matter as conclusive evidence of the matter;

Attachment D

Note Trust Deed

- (b) entitled to accept and act on any information, statements, certificates, report, balance sheet or account supplied by the Note Issuer or any Director, secretary, Auditors or duly authorised officer of the Note Issuer; and
- (c) entitled to accept and act upon the statements and opinions contained in any statement, certificate, report, balance sheet, or account given pursuant to the provisions of this document as conclusive evidence of the contents of it.

14.8 Note Trustee not obliged to notify or investigate

Subject to section 283DA of the Corporations Act, the Note Trustee need not:

- (a) notify any person of the execution of this document; or
- (b) take any steps to ascertain whether there has occurred any:
 - (i) Event of Default; or
 - (ii) event which constitutes or which, with the giving of notice or the lapse time or the issue of a certificate would constitute an Event of Default; or
- (c) enquire as to whether the provisions of any Transaction Document have been complied with; or
- (d) request information or otherwise keep itself informed about the circumstances of the Note Issuer or consider or provide to any Noteholder any information with respect to the Note Issuer (whenever coming into its possession).

This clause 14.8 in no way limits the Note Trustee's obligations under clause 13.

14.9 Note Trustee may assume

Until it has actual knowledge or express notice to the contrary, the Note Trustee may assume that no condition, event or act of the kind described in clause 14.8(a)) has occurred and that the Note Issuer and other parties to the Transaction Documents are observing and performing all their obligations contained in this Deed, the Contingent Value Notes and other Transaction Documents and need not enquire whether that is, in fact, the case.

14.10 No interference

The Note Trustee must not interfere with the conduct of the business of the Note Issuer.

14.11 Consents etc may be conditional

Any consent, authority, determination or waiver given by the Note Trustee for the purpose of this document may be given on terms and subject to conditions (if any) the Note Trustee thinks fit.

14.12 Note Trustee's responsibility for information

The Note Trustee is not concerned with or responsible for any omission from or statement or information contained in a prospectus, information memorandum, any advertisement, circular or other document relating to Contingent Value Notes.

14.13 Deemed approval

The Note Trustee is to provide its approval, or reasonable grounds for withholding its approval, to any document provided to the Note Trustee as contemplated by clause 14.11 within 5 Business Days of request by the Note Issuer (or such other period as the Note

Trustee and the Note Issuer may agree). The Note Trustee will not be liable to the Note Issuer if it does not provide such approval or grounds within that period, but if the Note Trustee does not provide its approval, or reasonable grounds for withholding its approval, before such a time, the Note Trustee will be deemed to have approved the document.

15. Note Trustee Limitation of Liability and Indemnity

15.1 Exclusion of liability

Subject to clause 15.3 and any applicable law, including Chapter 2L of the Corporations Act, the Note Trustee will not:

- (a) be under any liability whatsoever in its role as Note Trustee under the Transaction Documents;
- (b) be under any liability for anything done or omitted to be done in accordance with a direction given to it by the Noteholders at a meeting of Noteholders;
- (c) without limiting the generality of paragraph (a), be in any way responsible or liable for the payment of any stamp duty payable on or in respect of the issue of the Contingent Value Notes or on their redemption; and
- (d) without limiting the generality of paragraph (a), be in any way responsible for any loss, costs, damages or inconvenience that may result from the exercise or non-exercise of any authority, discretion or power which the Note Trustee exercises or fails to exercise in connection with this document or any Contingent Value Notes issued in connection with this document.

15.2 Indemnity from the Note Issuer

Without prejudice to any indemnity allowed by law and subject to clause 15.3, the Note Issuer will indemnify the Note Trustee for all costs, charges, expenses and liabilities incurred and payments made in or about the execution, administration or enforcement of this document or the exercise of any right under any Transaction Document and the remuneration payable by the Note Issuer to the Note Trustee.

15.3 Limitation of liability

- (a) This document applies to the Note Trustee only in its capacity as trustee of the Note Trust and in no other capacity. A liability arising under or in connection with this document is limited to and can be enforced against the Note Trustee only to the extent to which it can be satisfied out of property of the Note Trust out of which the Note Trustee is actually indemnified for the liability. This limitation of the Note Trustee's liability applies despite any other provision of this document and extends to all liabilities and obligations of the Note Trustee in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to this document.
- (b) No party may sue the Note Trustee in any capacity other than as trustee of the Note Trust, including seek the appointment of a receiver (except in relation to property of the Note Trust), a liquidator, an administrator or any similar person to the Note Trustee or prove in any liquidation, administration or arrangement of or affecting the Note Trustee (except in relation to property of the Note Trust).
- (c) The provisions of this clause 15.3 will not apply to any obligation or liability of the Note Trustee to the extent that it is not satisfied because under this document or by operation of law there is a reduction in the extent of the Note Trustee's indemnification out of the assets of the Note Trust, as a result of the Note Trustee's fraud, gross negligence or breach of trust.

Attachment D

Note Trust Deed

- (d) It is acknowledged that the Note Issuer is responsible under the Transaction Documents for performing a variety of obligations relating to the Note Trust, including under this document. No act or omission of the Note Trustee (including any related failure to satisfy its obligations or breach of representation or warranty under this document) will be considered fraud, gross negligence or breach of trust of the Note Trustee for the purpose of clause 15.3(b) to the extent to which the act or omission was caused or contributed to by any failure by the Note Issuer or any other person to fulfil its obligations relating to the Note Trust or by any other act or omission of the Note Issuer or any other person.
- (e) No attorney, agent, receiver or receiver and manager appointed in accordance with this document has authority to act on behalf of the Note Trustee in a way which exposes the Note Trustee to any personal liability and no act or omission of any such person will be considered fraud, gross negligence or breach of trust of the Note Trustee for the purpose of clause 15.3(b).
- (f) The Note Trustee is not obliged to do or refrain from doing anything under this document (including incur any liability) unless the Note Trustee's liability is limited in the same manner as set out in paragraphs (a) to (c) of this clause.

15.4 Release

Where clause 15.1 is not effective to absolve the Note Trustee from any liability mentioned in clause 15.1 the Noteholders may release the Note Trustee in respect of any such liability to the extent and in the manner contemplated by section 283DB of the Corporations Act.

15.5 Insurance

The Note Trustee covenants that while it is trustee under this document it will maintain adequate professional indemnity insurance and will produce to the Note Issuer evidence of compliance with this covenant on request by the Note Issuer.

16. Remuneration of Note Trustee

16.1 Fees

The Note Issuer must pay to the Note Trustee by way of remuneration for its services as Trustee a fee or such other remuneration as from time to time is mutually agreed.

16.2 Reimbursement of costs

On demand, without limiting the generality of the other provisions of this document, and without prejudice to any other right of indemnity given by law to trustees but subject to any agreement to the contrary, the Note Issuer will reimburse or pay to the Note Trustee all costs, charges and expenses and other liabilities including solicitor and client as well as party and party costs and any stamp or other duty reasonably and properly incurred or payable by the Note Trustee in connection with the execution or purported execution of the trusts hereof or (without limiting the generality of the foregoing):

- (a) in or about or in connection with the preparation and execution of this document or the Transaction Documents;
- (b) in or in connection with the carrying out by the Note Trustee of any right, power, privilege, authority or discretion by this document or any Transaction Document conferred expressly or impliedly on the Note Trustee or on any Noteholder;
- (c) in or in connection with any breach or default in the observance or performance by the Note Issuer of any of the covenants, obligations and conditions of this document or any Transaction Document; or

- (d) in or in connection with the convening and holding of any meeting of Noteholders or the carrying out of any directions or resolutions of such meeting, provided that such costs, charges and expenses are reasonable and properly incurred.

16.3 Priority of payments

All the remuneration and payments mentioned above must be paid in priority to any claim by any Noteholder and, subject to the terms provided above, will continue to be payable until the later of:

- (a) the termination of the Note Trust; and
- (b) the date on which the Note Trustee ceases to have any duties under this deed.

This priority of the Note Trustee will subsist whether or not a receiver is appointed or the Note Trust is in the course of administration by or under the order of any court.

16.4 Funds before acting

- (a) If the Note Trustee proposes to exercise a right, power or remedy or take any action in its capacity as Note Trustee in connection with the Transaction Documents (including as a result of a direction or instruction of Noteholders pursuant to a resolution of Noteholders), and the Note Trustee reasonably considers this could result in the Note Issuer becoming obliged to pay an amount under clause 16.2, then the Note Trustee may require the Note Issuer to pay the Note Trustee before exercising that right, power or remedy or taking that action an amount equal to the amount the Note Trustee reasonably determines the Note Issuer would be liable to pay under clause 16.2.
- (b) Despite any other provisions of any Transaction Document, the Note Trustee is not obliged to so act until that amount is paid.

17. Retirement and Appointment of Note Trustee

17.1 Right of Note Trustee to retire

Subject to any statutory provisions for the time being relating to the retirement of trustees, the Note Trustee may retire at any time (with or without giving any reason for its retirement) after the expiration of not less than 2 months' notice in writing to the Note Issuer of its intention to do so, provided that such retirement will not take effect until a new trustee who is willing to act and who is a Trustee Company has been appointed by the Note Issuer in accordance with the provisions of this clause 17.

17.2 Power of Note Issuer to appoint a new note trustee

Subject to the other provisions of this document, the power under this document of appointing a new trustee of the Note Trust is vested in the Note Issuer and the Note Issuer may at any time remove the Note Trustee and appoint a new trustee of the Note Trust (who must be a Trustee Company and may be a Related Body Corporate of the Note Trustee):

- (a) on not less than 2 months' notice; or
- (b) immediately if:
 - (i) any of the events referred to in section 283BD of the Corporations Act occur in relation to the Note Trustee;
 - (ii) an Insolvency Event occurs in relation to the Note Trustee;

Attachment D

Note Trust Deed

- (iii) a resolution to remove the Note Trustee is passed at a meeting of the Noteholders; or
- (iv) the Note Trustee is in breach of any of its obligations under this document or any other Transaction Document and the breach has not been remedied by the Note Trustee within 14 Business Days of receipt of notice in writing from the Note Issuer specifying the breach.

17.3 Power of existing Note Trustee to appoint a new note trustee

If:

- (a) when the period of notice referred to in clause 17.1 expires, a new note trustee (who must be a Trustee Company) has not been appointed;
- (b) the Note Issuer removes the Note Trustee under clause 17.2 but does not appoint a new note trustee within 10 Business Days of the removal becoming effective; or
- (c) the Noteholders remove the Note Trustee under clause 15 of Schedule 3 but do not appoint a new note trustee within 10 Business Days of the removal becoming effective,

the Note Trustee may at any time thereafter and so long as an appointment has not been made by the Note Issuer or the Noteholders, appoint in writing another person to act as the new trustee of the Note Trust (who must be a Trustee Company) and any such appointment will be effective without the further approval of the Note Issuer or of the Noteholders.

17.4 Retirement, death or removal of Note Trustee

On the retirement, death or removal of the Note Trustee, the retiring or departing Note Trustee must at the cost of the Note Issuer do all such things and execute all such deeds and assurances as are necessary for the purpose of vesting in the new trustee or new trustees all money, property, rights, powers, authorities and discretions vested in the Note Trustee under this document.

17.5 Release of Note Trustee

Upon the appointment of the new trustee, the retiring or departing Note Trustee will be released from all further obligations and liabilities in respect of the Note Trust arising after the date it retires or is removed. The retirement, removal or departure of the Note Trustee will not be effective unless and until a replacement Note Trustee has been appointed in accordance with this clause 17.

18. Acknowledgement of Trust

18.1 Trust

The Note Trustee acknowledges and agrees that it must hold:

- (a) all Recovered Moneys;
- (b) any charge or security for repayment;
- (c) the right of Noteholders to enforce the Note Issuer's duty to pay the Redemption Amount in respect of any Contingent Value Note;
- (d) the right of Noteholders to enforce any other duties and obligations of the Note Issuer under this document, the Terms of Issue or the Corporations Act; and

- (e) the benefit of this document and the Transaction Documents,

on trust for persons who hold Contingent Value Notes from time to time subject to the terms and conditions of this document.

18.2 Order of Priority

All Recovered Moneys will be applied for the following purposes and, subject to the Terms of Issue, in the following order of priority:

- (a) **first**, unless otherwise paid by the Note Issuer, all costs, charges, expenses and liabilities incurred and payments made in or about the execution, administration or enforcement of the trusts of this document including all remuneration payable to the Note Trustee (including any interest payable on any of those amounts);
- (b) **second**, the Redemption Amount and all other amounts due and payable on each Contingent Value Note *pari passu* and without preference or priority amongst Noteholders, subject to any necessary rounding; and
- (c) **third**, in payment of the surplus (if any) without interest to the Note Issuer. The Note Trustee may pay the surplus to the credit of an account in the name of the Note Issuer in the books of any bank carrying on business within Australia and having done so is under no further liability in respect of that surplus.

Any amount required by law to be paid in priority to any amount specified in clauses 18.2(a) to (c) (inclusive) must be paid before any money is applied in payment of the amounts specified in clauses 18.2(a) to (c) (inclusive).

19. Termination of Note Trust

19.1 Termination events

The Note Trust will terminate on the earliest to occur of the following:

- (a) the date on which the Note Trustee is notified of the termination of the Scheme Implementation Agreement;
- (b) the date immediately following:
 - (i) redemption of all of the Contingent Value Notes;
 - (ii) payment of all monies owing in respect of the Contingent Value Notes; and
 - (iii) payment of all costs, charges and expenses properly incurred by the Note Trustee under or in connection with this document or the Transaction Documents;
- (c) the date immediately following the cancellation of all of the Contingent Value Notes in accordance with clause 5.4.

19.2 Disposal and distribution of trust assets on termination

If the Note Trust is terminated in accordance with clause 19.1, the Note Trustee must distribute the balance of the capital and income of the Note Trust (including, without limitation, cash, if any) to the Note Issuer.

19.3 Untraceable Noteholders

- (a) Subject to applicable law:

Attachment D

Note Trust Deed

- (i) where the Note Issuer has made reasonable efforts to locate a Noteholder to effect the payment of monies but is unable to do so; and
 - (ii) the monies owing have not been claimed by the Noteholder or any legal personal representative of the Noteholder for a period of 12 months after first becoming payable,
- (b) then those monies:
 - (i) must be paid by the Note Trustee to the Note Issuer, if the Note Trustee has actual possession and control of such monies; and
 - (ii) will be held by the Note Issuer, until such time as the moneys are dealt with in accordance with the applicable legislation relating to unclaimed monies.
- (c) The Note Trustee is not liable to any Noteholder for any moneys paid to the Note Issuer in accordance with this clause.

19.4 Release

Subject to clauses 19.2 and 19.3, upon termination of the Note Trust under clause 19.1, the Note Trustee and the Note Issuer are discharged and released from all their obligations under this document.

20. Notices

20.1 How to give a Notice

Any notice, demand, consent or other communication (a **Notice**) given or made under this document:

- (a) must be in writing and signed by a person duly authorised by the sender (or, in the case of email, set out the full name and position or title of the sender); and
- (b) must be delivered to the intended recipient by prepaid post (if posted to an address in another country, by registered airmail) or by hand or email to the address or email address below or the address or email address last notified by the intended recipient to the sender after the date of this document:

Note Issuer

Address: Park Tower, 20 Pidgeon Close, West End, QLD 4101
 Email: graeme.fallet@silverchefgroup.com.au
 Attention: Graeme Fallet

Note Trustee

Address: Level 2, 120 Collins Street, Melbourne, Victoria, 3000
 Email: trustee@msc.group
 Attention: Matthew Fletcher

Noteholder

Address: to the address of that Noteholder specified in the Register

20.2 When effective

A Notice will be effective upon receipt and will be taken to be received:

- (a) in the case of delivery in person, when delivered;
- (b) in the case of delivery by post, two Business Days after the date of posting; and
- (c) in the case of email, on the earlier of:
 - (i) at the time the sender receives an automated message confirming delivery;
 - (ii) at the time the intended recipient confirms delivery by reply email; and
 - (iii) one hour after the time the email is sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated delivery failure notification indicating that the email has not been delivered.]

but if the result is that a Notice is received or taken to be received outside the period between 9.00am and 5.00pm (addressee's time) on a Business Day, then the Notice will be taken to be received at 9.00am on the following Business Day.

21. Amendments

21.1 Amendments with Noteholder approval

At any time, and from time to time, but subject to compliance with applicable laws, the Note Issuer may amend this document or the Terms of Issue if such amendment:

- (a) is authorised by a special resolution of Noteholders in accordance with clause 13(a) of Schedule 3, or if otherwise permitted by clause 21.2;
- (b) has the consent of the Note Issuer which may be granted or withheld in its absolute discretion.

21.2 Amendments without Noteholder approval

At any time, but subject to compliance with applicable laws, the Note Issuer may, without the consent or approval of the Noteholders or the Note Trustee, amend this document or the Terms of Issue if the Note Issuer is of the opinion that such amendment is:

- (a) made to cure any ambiguity or correct a manifest error;
- (b) of a formal, minor or technical nature;
- (c) necessary to comply with the provisions of any statute or the requirements of any statutory authority; or
- (d) required to give effect to the terms of this document for the benefit of the Noteholders as a result of a change in circumstances after the date of this document.

provided that:

- (e) any amendments which will have an adverse effect of the Note Trustee's rights and obligations under the Transaction Documents must be approved by the Note Trustee; and
- (f) the terms of any amendment are promptly notified to the Note Trustee and to each Noteholder.

Attachment D

Note Trust Deed

22. Lodgement of documents by Noteholders

Where in this document provision is made for or reference is made to the production, surrender, lodgement or delivery of documents or the giving of notice in each case by Noteholders to the Note Issuer, the same will be deemed not to have been produced, surrendered, lodged, delivered or given to the Note Issuer by any Noteholder unless and until it is actually received by the Note Issuer at the place where the Register is kept or such other place as the Note Issuer may reasonably nominate for the purposes of this clause.

23. Taxes

23.1 Definitions

In this clause, the following definitions apply:

Adjustment Note has the meaning given by the GST Law.

Consideration has the meaning given by the GST Law.

GST has the meaning given by the GST Law.

GST Amount means in relation to a Taxable Supply the amount of GST payable in respect of that Taxable Supply.

GST Group has the meaning given by the GST Law.

GST Law has the meaning given by the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and/or the Goods and Services Tax Act (2003) in Papua New Guinea (as the context requires).

Input Tax Credit has the meaning given by the GST Law and a reference to an Input Tax Credit entitlement of a party includes an Input Tax Credit for an acquisition made by that party but to which another member of the same GST Group is entitled under the GST Law.

Margin Scheme has the meaning given by the GST Law.

Tax Invoice has the meaning given by the GST Law.

Taxable Supply has the meaning given by the GST Law excluding the reference to section 84-5 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and (except where expressly agreed otherwise) excluding a supply in respect of which the supplier chooses to apply the Margin Scheme in working out the amount of GST on that supply.

23.2 General

- (a) The Note Issuer will pay all stamp, transaction, registration and similar Taxes (including fines and penalties but not including income taxes) for which the Note Issuer is liable and which may be payable in relation to the execution, delivery, performance or enforcement of any Transaction Document or any payment or receipt or any other transaction contemplated by any Transaction Document.
- (b) The Note Issuer is not liable for any Tax or other charge arising from the ownership or maturity of the Contingent Value Notes. The holder of the Contingent Value Notes must pay all Tax and other charges, if any, payable in connection with the ownership and maturity of the Contingent Value Notes.

23.3 GST

- (a) GST is not payable on the issue and the redemption of Contingent Value Notes by the Note Issuer, unless there is a change of law such that the issue or the redemption of Contingent Value Notes is considered a Taxable Supply.
- (b) Subject to paragraph (a) above, if GST is payable on a Taxable Supply made under, by reference to or in connection with this document, the party providing the Consideration for that Taxable Supply must also pay the GST Amount as additional Consideration. This clause does not apply to the extent that the Consideration for the Taxable Supply is expressly agreed to be GST inclusive.
- (c) The liability of the Note Issuer under this clause is limited to the amount of the benefit of any Input Tax Credit that the Note Issuer receives in respect of that Taxable Supply.
- (d) No payment of any amount pursuant to paragraphs (a) and (b), and no payment of the GST Amount where the Consideration for a Taxable Supply is expressly agreed to be GST inclusive, is required until the supplier has provided a Tax Invoice or Adjustment Note as the case may be to the recipient.
- (e) Any reference in the calculation of Consideration or of any indemnity, reimbursement or similar amount to a cost, expense or other liability incurred by a party, must exclude the amount of any Input Tax Credit entitlement of that party in relation to the relevant cost, expense or other liability. A party will be assumed to have an entitlement to a full Input Tax Credit unless it demonstrates otherwise prior to the date on which the Consideration must be provided.
- (f) Any reference in this document to price, value, sales, revenue or a similar amount (**Revenue**), is a reference to that Revenue exclusive of GST.
- (g) Any reference in this document (other than in the calculation of Consideration) to cost, expense or other similar amount (**Cost**), is a reference to that Cost exclusive of GST.
- (h) This clause 23 will continue to apply after expiration or termination of this document.

24. General Provisions

24.1 Deemed terms

Any terms required by law from time to time to be in this document are deemed to be set out in this document.

24.2 No liability for loss

Subject to clause 15.3, neither the Note Trustee nor a Noteholder is liable for loss caused by the exercise or attempted exercise of, failure to exercise, or delay in exercising, a right or remedy.

24.3 Waivers, remedies cumulative

Except as provided in this document, no failure to exercise and no delay in exercising on the part of any party of any right, power or privilege under this document will operate as a waiver. Nor will any single or partial exercise of any right, power or privilege preclude any other or further exercise of that or any other right, power or privilege.

Attachment D

Note Trust Deed

24.4 Indemnities

The indemnities in this document are continuing obligations, independent of the Note Issuer's other obligations under this document and continuing after the Note Trust ends. It is not necessary for the Note Issuer, Note Trustee or a Noteholder to incur expense or make payment before enforcing a right of indemnity under this document.

24.5 Rights and obligations unaffected

To the extent permitted by law, rights given to the Note Trustee or any Noteholder under this document and the Note Issuer's liability under it are not affected by anything which might otherwise affect them at law.

24.6 Inconsistent law

To the extent permitted by law, this document prevails to the extent it is inconsistent with any law.

24.7 Severability of provisions

Any provision of this document which is prohibited or unenforceable in any jurisdiction is, as to that jurisdiction, ineffective to the extent of that prohibition or unenforceability. This does not invalidate the remaining provisions of this document nor affect the validity or enforceability of that provision in any other jurisdiction.

24.8 Entire agreement

This document contains the entire agreement of the parties with respect to its subject matter. It constitutes the only conduct relied on by the parties (and supersedes all earlier conduct by the parties) with respect to its subject matter.

24.9 Counterparts

This document may be executed in any number of counterparts. All counterparts together will be taken to constitute one instrument.

24.10 Inspection of this document and copies of this document

The Noteholders may inspect a copy of this document at the office of the Note Issuer during normal business hours, and will be entitled to a copy of it on payment of the prescribed fee within 15 Business Days of receipt of such payment by the Note Issuer.

24.11 Governing law, jurisdiction and service of process

This document is governed by the laws of Queensland. Each person taking benefit of or bound by this document submits to the non-exclusive jurisdiction of courts exercising jurisdiction there and waives any right it has to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction. Without preventing any other mode of service, any document in an action (including, without limitation, any writ of summons or other originating process or any third or other party notice) may be served on the Note Issuer by being delivered to or left for the Note Issuer at its address as stated in this document.

24.12 Noteholders bound

Each Noteholder and any person claiming through each Noteholder who asserts an interest in a Contingent Value Note under this document is bound by this document.

24.13 Liability

An obligation of two or more persons binds them separately and together.

24.14 Entitlement to enforce

Subject to this document, each Noteholder has the benefit of and is entitled to enforce this document even though it is not a party to, or is not in existence at the time of execution and delivery of, this document.

24.15 Independent enforcement

Subject to this document, each Noteholder may enforce its rights under this document independently from each other Noteholder.

24.16 Accounting procedures

Without limiting any other provision of this document, any calculations or classifications to be made by the Note Trustee for the purposes of the Note Trust must be made in accordance with generally accepted accounting principles and procedures for trusts in Australia.

24.17 Deed

This document is a deed. Factors which might suggest otherwise are to be disregarded.

Attachment D

Note Trust Deed

Schedule 1

Terms of Issue

1. General

1.1 Definitions

Words and expressions defined in the Contingent Value Note Trust Deed between Silver Chef Limited ACN 011 045 828 and Melbourne Securities Corporation Limited (ABN 57 160 326 545) (the **Note Deed**), have the same meaning in these Terms of Issue, unless the context otherwise requires.

1.2 Terms of issue

The Contingent Value Notes will:

- (a) not be transferable, except in accordance with clauses 7 and 8 of this Schedule;
- (b) subject to clause 2.1 of this Schedule, be redeemable by the Note Issuer in accordance with clause 2.2 of this Schedule; and
- (c) are otherwise issued subject to the provisions of the Note Deed.

1.3 Enforcement

The obligations of the Note Issuer in respect of each Contingent Value Note constitute separate and independent obligations which the Note Trustee and, subject to the Terms of Issue, the Noteholder to which those obligations are owed are each entitled to enforce independently from each other Noteholder.

1.4 Status

The Contingent Value Notes will constitute unsecured obligations of the Note Issuer.

2. Redemption of Contingent Value Notes

2.1 Redemption Conditions

The Contingent Value Notes will only be redeemable if all of the Redemption Conditions are satisfied. If one or more Redemption Condition is not satisfied, no obligation to pay the Redemption Amount in respect of any Contingent Value Note will arise.

2.2 Redemption

If each of the Redemption Conditions is satisfied, the Note Issuer must, in accordance with the Terms of Issue, redeem the Contingent Value Notes by:

- (a) notifying the Note Trustee in writing that the Redemption Conditions have been satisfied providing a copy of the Redemption Determination Notice(s) to the Note Trustee (if not already provided) as soon as practicable (and in any event not later than 5 Business Days) after the date on which the Independent Assessor issued the Redemption Determination Notice; and
- (b) paying to each Noteholder, who is a Noteholder on the Noteholder Record Date, the aggregate total Redemption Amount for all Contingent Value Notes held by the

Noteholder on the Noteholder Record Date, rounded up or down to the nearest whole cent within 14 days of receiving the Redemption Determination Notice.

The Note Issuer must notify the Note Trustee in writing when the Note Issuer has made such payments.

2.3 Interest

No interest is payable on the Contingent Value Notes.

3. Payment

3.1 Noteholder Record Date

The payment of the Redemption Amount in respect of each Contingent Value Note will be made to the person whose name is entered in the Register as the Noteholder in respect of that Contingent Value Note as at 5pm on the Noteholder Record Date.

3.2 Payment to Noteholders

Subject to clause 5.3 of this Schedule, any amount (including the Redemption Amount) payable under or in respect of a Note must be paid in Australian dollars only:

- (a) 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 Contingent Value Notes are held by joint Noteholders to the address of the Noteholder whose name stands first on the Register in respect of those Contingent Value Notes; or
- (b) by direct credit to a nominated account denominated in Australian dollars at a financial institution notified by the relevant Noteholder (or, where the Contingent Value Notes are held by joint Noteholders, the Noteholder whose name stands first on the Register) to the Note Issuer; or
- (c) by any other method of transferring money approved by the Note Trustee and the board of directors of the Note Issuer from time to time.

Every cheque referred to in this clause will be sent at the risk of the person entitled to the money 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.

3.3 Payment constitutes release

Any payment made by the Note Issuer or the Note Trustee for the account of a person whose name is, on the Noteholder Record Date, entered in the Register as the holder of a Contingent Value Note constitutes for all purposes an absolute and unconditional release and discharge of the Note Issuer and the Note Trustee, to the extent of such payment, of all obligations and indebtedness in respect of the Contingent Value Note under or in respect of which the payment was made.

3.4 No set-off

All payments under or in respect of a Contingent Value Note will be made without any set off, counterclaim or condition.

4. Power of the Noteholders to direct Note Trustee

Upon the occurrence of an Event of Default, the Noteholders will have the following powers exercisable by ordinary resolution:

Attachment D

Note Trust Deed

- (a) to direct the Note Trustee to take any particular action under the Note Deed or the Contingent Value Notes;
- (b) to direct the Note Trustee to commence legal proceedings against the Note Issuer to recover any outstanding Redemption Amount, owing in respect of the Contingent Value Notes; and
- (c) to direct the Note Trustee to take such other action as the Noteholders deem appropriate to recover any outstanding Redemption Amount owing in respect of the Contingent Value Notes,

and the Note Trustee must comply with those directions subject to any applicable law (including Chapter 2L of the Corporations Act), the terms of the Note Deed and these Terms of Issue.

5. Joint Noteholders

5.1 Nature of interest

Where two or more persons are registered as the holders of any Contingent Value Notes, they are considered to hold the Contingent Value Notes as joint tenants with benefits of survivorship, subject to the terms of this clause 5.

5.2 Limit on number of joint Noteholders

The Note Issuer is not bound to register more than three persons as the holders of any Contingent Value Note.

5.3 Payment to joint Noteholders

Any one of the joint Noteholders in respect of a Contingent Value Note may give a receipt for any amount (including the Redemption Amount) payable to the joint Noteholders, and the payment of any such amount to any one of the joint Noteholders will be an effective discharge by the Note Issuer of its obligations in relation to that Contingent Value Note.

5.4 Death of joint Noteholder

On the death of any one of the joint Noteholders in respect of any Contingent Value Note, the remaining joint Noteholders will be the only persons recognised by the Note Issuer as having any title to the Contingent Value Note, but the board of directors of the Note Issuer may require evidence of death and the estate of the deceased joint Noteholder is not released from any liability in respect of the Note.

5.5 Notices and Note Certificates

Only the person whose name stands first in the Register as one of the joint Noteholders in respect of any Contingent Value Note is entitled, subject to the Terms of Issue, to receive notices from the Note Issuer, and any notice given to that person is considered notice to all the joint Noteholders.

5.6 Joint action by joint Noteholders

Subject to the Terms of Issue, all of the joint Noteholders in respect of any Contingent Value Note must join in any application for the replacement of a note certificate which has been lost or destroyed.

6. No transfer of Contingent Value Notes

The Contingent Value Notes are non-transferrable, other than as a result of operation of law or devolution.

7. Transmission according to Custody Agreement

7.1 Transmission on termination

If the Custody Agreement is terminated in accordance with clause 10 of the Custody Agreement, all (but not some only) of the Contingent Value Notes then held by the Custodian may be transferred by the Custodian to a person nominated by the Note Issuer in accordance with clause 10.4 of the Custody Agreement.

7.2 Transmission to Sub-Custodian

If the Custodian appoints the Sub-Custodian (as that term is defined in the Custody Agreement) to act as sub-custodian in accordance with clause 9 of the Custody Agreement, the Custodian may transfer all (but not part only) of the Contingent Value Notes then held by the Custodian to the Sub-Custodian.

8. Transmission on Death or by Law

8.1 Transmission on death

The personal representative of a deceased Noteholder (which Noteholder is not a joint Noteholder) is the only person recognised by the Note Issuer as having any title to Contingent Value Notes registered in the name of the deceased Noteholder. Subject to compliance by the transferee with the Terms of Issue, the board of directors of the Note Issuer may register any transfer signed by a Noteholder prior to the Noteholder's death, despite the Note Issuer having notice of the Noteholder's death.

8.2 Transmission by operation of law

A person (a **transmittee**) who establishes to the satisfaction of the Note Issuer Board that the right to any Contingent Value Notes has devolved on the transmittee by will or by operation of law may be registered as a holder in respect of the Contingent Value Notes or may (subject to the provisions of the Terms of Issue relating to transfers) transfer the Contingent Value Notes.

9. Non-resident Noteholders

Despite anything to the contrary contained in or implied by the Terms of Issue, it is a condition precedent to any right of the Noteholder:

- (a) to receive payment of the Redemption Amount for each of those Contingent Value Notes; and
- (b) to receive payment of any other amount under or in respect of those Contingent Value Notes,

that all necessary Authorisations are obtained or made, and all other applicable regulatory requirements are satisfied, at the cost of the Noteholder.

10. Indemnity to the Note Issuer

Whenever in consequence of:

Attachment D

Note Trust Deed

- (a) the death of a Noteholder;
- (b) the non-payment of any income Tax or other Tax payable by a Noteholder;
- (c) the non-payment of any stamp or other duty by the legal personal representatives of a Noteholder or his estate; or
- (d) any other act or thing in relation to a Contingent Value Note or a Noteholder,

any law for the time being of any other country or place, in respect of that Contingent Value Note, imposes or purports to impose any liability of any nature whatever on the Note Issuer to make any payments to any Government Agency, the Note Issuer will in respect of that liability be indemnified by that Noteholder and the Noteholder's legal personal representatives and any monies paid by the Note Issuer 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 the Note Issuer and the Note Issuer will have a lien in respect of those monies upon the Contingent Value Notes held by that Noteholder or his legal personal representatives and upon the Redemption Amount payable in respect thereof. Nothing in this clause 10 will prejudice or affect any right or remedy which any such law may confer or purport to confer on the Note Issuer.

11. 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 the Note Issuer as having any title to that Noteholder's Contingent Value Notes. Any person becoming entitled to Contingent Value Notes in consequence of the death or liquidation of any Noteholder may, on producing such evidence of that person's title as the Note Trustee thinks sufficient, be registered as the holder of the Contingent Value Notes or, subject to the preceding clauses relating to transfer, may transfer those Contingent Value Notes. The Note Trustee will be at liberty to retain the principal and interest and any other monies payable in respect of any Contingent Value Notes which any person under this clause is entitled to or to transfer until such person is registered or has duly transferred the Contingent Value Notes in accordance with these Terms of Issue.

12. Title to Contingent Value Notes

- (a) Subject to the Note Deed and these Terms of Issue, the Note Issuer and the Note Trustee will recognise only the Noteholder whose name appears in the Register as the absolute owner of the Contingent Value Note in respect of which the Noteholder is entered in the Register, and the Note Issuer and Note Trustee may act accordingly. The Note Issuer will not, except as provided by the Note Deed and these Terms of Issue or as ordered by a court of competent jurisdiction or as by statute required, be bound to take notice of or see to the executions of any trust or equity to which a Contingent Value Note may be subject or otherwise affecting the ownership of a Contingent Value Note or rights incidental thereto. The receipt of a Noteholder or one of the joint Noteholders of any monies payable upon the redemption of a Contingent Value Note will be a good discharge to the Note Issuer despite any notice the Note Issuer may have, whether express or otherwise, of the right, title or interest of any person to or in that Contingent Value Note or monies. No details of any such equity or trust, express or implied, will be entered in any Register.
- (b) No person who has previously been registered as the owner of a Contingent Value Note has or is entitled to assert against the Note Issuer, the Note Trustee or the registered owner of that Contingent Value Note for the time being and from time-to-time any rights, benefits or entitlements in respect of any Contingent Value Notes.

13. Terms of Issue

These Terms of Issue are binding on the Note Issuer, the Note Trustee and the Noteholders and all persons claiming through or under them respectively.

Attachment D

Note Trust Deed

Schedule 2

The Register

1. Details to be kept on Register

The following information must be entered on the Register:

- (a) **(date of issue of Contingent Value Notes)** the date on which the Contingent Value Notes are issued;
- (b) **(details of Noteholders)** the name, address and email address of each Noteholder;
- (c) **(number of Contingent Value Notes)** the number of Contingent Value Notes held by each Noteholder;
- (d) **(date of entry)** the date on which a person was entered as the holder of Contingent Value Notes;
- (e) **(date of cessation)** the date on which a person ceased to be a Noteholder;
- (f) **(account)** the account to which any payments due to a Noteholder are to be made (if applicable);
- (g) **(payments)** a record of each payment in respect of the Contingent Value Notes;
- (h) **(tax file number/Australian Business Number)** a record that the Note Issuer has (or has not) received the tax file number or Australian Business Number of each Noteholder and, if applicable, the grounds for exemption from the requirement of a Noteholder to hold a tax file number;
- (i) **(additional information)** such other information as:
 - (i) is required by the Terms of Issue;
 - (ii) the Note Issuer considers necessary or desirable or
 - (iii) required by the Corporations Act.

2. Place of keeping Register, copies and access

The Register will be:

- (a) **(place kept)** kept in Queensland;
- (b) **(access to Note Trustee and Auditors)** open to the Note Trustee and the Auditors to inspect during normal business hours who will be provided with a copy upon request and without charge; and
- (c) **(inspection by Noteholder)** open for inspection by Noteholders during normal business hours without charge.

Noteholders will be entitled to a copy of the Register on payment of the prescribed fee and will be provided with a copy within 5 Business Days of the Note Issuer's receipt of such payment (or if the Register is maintained by a third party on the Note Issuer's behalf, on receipt by that person).

3. Closure of the Register

The Note Issuer may from time to time close the Register for any period or periods not exceeding 20 Business Days in any year.

4. Details on Register conclusive

- (a) **(Reliance on Register)** The Note Issuer and the Note Trustee will be entitled to rely on a Register as being a correct, complete and conclusive record of the matters set out in it at any time and whether or not the information shown in that Register is inconsistent with any other document, matter or thing.
- (b) **(No trusts etc)** The Note Issuer will not be obliged to enter on a Register notice of any trust, security interest or other interest whatsoever in respect of any Contingent Value Notes and the Note Issuer and the Note Trustee will be entitled to recognise a Noteholder as the absolute owner of Contingent Value Notes and the Note Issuer and the Note Trustee will not be bound or affected by any trust affecting the ownership of any Contingent Value Notes unless ordered by a court or required by statute.
- (c) **(Register not to be signed)** The Note Issuer must ensure that it does not sign or otherwise execute any entry in the Register.

5. Alteration of details on Register

On the Note Issuer being notified of any change of name or address or payment or other details of a Noteholder by the Noteholder, the Note Issuer must alter or cause to be altered the relevant Register accordingly.

6. Rectification of Register

If:

- (a) an entry is omitted from the Register;
- (b) an entry is made in the Register otherwise than in accordance with the Note Deed;
- (c) an entry wrongly exists in the Register;
- (d) there is an error or defect in any entry in the Register; or
- (e) default is made or unnecessary delay takes place in entering in the Register that any person has ceased to be the holder of Contingent Value Notes,

the Note Issuer must rectify or cause to be rectified the same.

7. Correctness of Register

The Note Issuer, or any person appointed by the Note Issuer to establish and maintain the Register, will not be liable for any mistake in a Register except to the extent that the mistake is attributable to its fraud, negligence or wilful default.

8. Third party registrar

The Note Issuer may cause the Register to be maintained by a third party on its behalf and require that person to discharge the Note Issuer's obligations under the Note Deed in relation to that Register.

Attachment D

Note Trust Deed

9. Audit of Register

If and when required by the Note Trustee (acting reasonably), the Note Issuer will procure that its auditors conduct an audit of, and certify to the Note Trustee, the proper maintenance of the Register in accordance with this Schedule.

Schedule 3

Meetings

1. Note Trustee or Note Issuer may convene a Meeting

The Note Trustee or the Note Issuer may at any time convene a meeting of the Noteholders and either must do so if required by the Corporations Act or the Note Trustee must do so upon the occurrence of an Event of Default.

2. Power of Noteholders to direct Note Issuer to convene a Meeting

- (a) The Note Issuer undertakes to hold a meeting of Noteholders if required to do so on application in writing from the holders of not less than 10% of the total number of Contingent Value Notes on issue, delivered to its registered office with a copy of the application delivered to the Note Trustee.
- (b) Subject to the Noteholders meeting the requirements in paragraph (a), the Note Issuer (by giving notice to each of the Noteholders at the Noteholder's address as specified in the Register) will summon a meeting of Noteholders:
 - (i) to consider the financial statements that were laid before the last annual general meeting of the Note Issuer; and
 - (ii) to give the Note Trustee directions in relation to the exercise of its powers.
- (c) A requisition of a meeting called under paragraph (a) must state the general nature of the business proposed to be dealt with at the meeting. Meetings of Noteholders must be held at such place as the Note Trustee and the Note Issuer from time to time reasonably determine or approve.
- (d) In the event that the Note Issuer does not issue a notice of meeting in accordance with paragraph (a) within 15 Business Days of receipt of the application delivered under that paragraph, the Note Trustee must convene the meeting forthwith.

3. Right of Attendance

The following persons have the right to attend and to address any meeting of Noteholders:

- (a) the Note Trustee, its solicitors and such other experts or advisors as the Note Trustee may engage;
- (b) the Noteholders, their solicitors, and such experts or advisors as the Noteholders may engage; and
- (c) the Note Issuer's Directors, solicitors, the Auditors and such other experts or advisors as the Note Issuer may engage.

4. Notice

- (a) At least 15 Business Days' prior notice of a meeting of Noteholders must be given by the Note Issuer to the Noteholders, the Note Trustee and the Auditors. The notice of meeting must specify:
 - (i) who convened the meeting;
 - (ii) the place, day and hour of the meeting; and

Attachment D

Note Trust Deed

- (iii) the nature of the business to be transacted at the meeting.
- (b) Any accidental omission to give any notice of any meeting or the non-receipt by any Noteholder of any notice will not invalidate the proceedings of any meeting, but where notice of a meeting convened by the Note Issuer is not received by the Note Trustee or notice of a meeting convened by the Note Trustee is not received by the Note Issuer, all business transacted and all resolutions passed at the meeting will (unless the party who did not receive the notice otherwise agrees) be void and of no effect.

5. Quorum

- (a) At any meeting of Noteholders there will be quorum if:
 - (i) 2 or more Noteholders present in person or by proxy or attorney are present and entitled to vote; and
 - (ii) the Noteholders who are so present hold more than 10% of the total number of Contingent Value Notes on issue at the time of the meeting.

No business will (subject to clause 5(b) below) be transacted at any meeting unless the requisite quorum is present at the commencement of business.

- (b) If, within half an hour from the time appointed for any meeting of the Noteholders, a quorum is not present the meeting will stand adjourned to such day and time of not less than 10 Business Days' or, if the meeting was to consider a special resolution, 15 Business Days' later and at a place announced by the chair at the time of the adjournment.

6. Chair

- (a) A person nominated by the Note Trustee is entitled to take the chair at every meeting of Noteholders.
- (b) In case of an equality of votes the chair will both on a show of hands and at a poll have a casting vote in addition to the vote or votes (if any) to which the chair may be entitled as a Noteholder.

7. Voting

- (a) At every meeting of Noteholders each voter is:
 - (i) on a show of hands, entitled to one vote; and
 - (ii) on a poll, entitled to one vote in respect of each Contingent Value Note held by the Noteholder or by the person for whom he is the proxy or attorney.
- (b) At any meeting of Noteholders, a matter will be decided by a show of hands unless a poll is demanded by:
 - (i) the chair or the Note Trustee; or
 - (ii) at least 5 Noteholders present in person or by proxy or by attorney; or
 - (iii) Noteholders present in person or by proxy or by attorney who together hold at least 5% of the total number of Contingent Value Notes on issue at the time of the meeting; or
 - (iv) the Note Issuer, where the Note Issuer holds Contingent Value Notes, in which case it is entitled to vote in its capacity as Noteholder,

a declaration by the chair that a resolution has been carried by a particular majority or lost or not carried by a particular majority is conclusive evidence of the fact.

- (c) Where a poll is demanded under clause 7(b) of this Schedule it will be taken either at once or after an interval of adjournment. If the poll is to be taken on an adjournment, the poll will be taken as the chair directs, but in no case will the date on which the poll is taken be a date more than 30 days from the date of the adjournment. The result of such poll will be deemed to be the resolution of the meeting at which the poll was demanded.
- (d) In the case of joint Noteholders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register in respect of the joint holding.

8. Voting by Note Issuer

The Note Issuer and its associates are not entitled to vote their interest on a resolution at a meeting of Noteholders if they have an interest in the resolution or matter other than as a Noteholder.

9. Adjournment

The chair may with the consent of such meeting and must if directed by the meeting adjourn the same from time to time and from place to place.

10. Right to Vote

A Noteholder or, in the case of joint Noteholders, the Noteholder whose name stands first on the Register, will be entitled to vote in respect of such Contingent Value Notes either in person or by proxy or attorney.

11. Proxy

- (a) An instrument appointing a proxy must be in writing under the hand of the appointer or of its attorney duly authorised in writing, and in the case of a corporation, under its common seal or under the hand of an officer or attorney so authorised. Every such proxy will enable the Noteholder to vote for or against any resolution and will be in any usual or common form or in any other form which the Note Trustee may approve.
- (b) Any person may be appointed a proxy whether or not that person is a Noteholder.
- (c) An instrument appointing an attorney and an instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed must be deposited at such place as the Note Issuer or Note Trustee (as relevant) sets out in the notice convening the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (or in the case of a poll before the time appointed for the taking of the poll) and in default, the power of attorney or instrument of proxy, as the case may be, may at the discretion of the Note Issuer or Note Trustee be invalid.
- (d) The Noteholders as recorded in the Register 48 hours before the time appointed for the holding of the meeting and no other person or persons will be recognised and treated as the legal holders of the Contingent Value Notes for any purpose associated with any meeting of Noteholders.
- (e) A vote given in accordance with the terms of an instrument of proxy will be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or the authority under which the proxy was executed or the transfer of the

Attachment D

Note Trust Deed

Contingent Value Notes in respect of which the proxy is given provided that no intimation in writing of such death, insanity, revocation or transfer has been received by the Note Issuer at its registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

12. Resolution binding

A resolution passed at a meeting of Noteholders duly convened and held is binding on all the Noteholders whether present or not present at such meeting, whether they are in favour or opposed to the resolution and each of the Noteholders is bound to give effect to any resolutions passed at such meeting.

13. Resolution is passed

- (a) A resolution will be deemed duly passed as a special resolution if it is approved in either of the following ways:
 - (i) by a resolution in writing signed by Noteholders that represent not less than 75% of the total number of Contingent Value Notes then on issue, which resolution may be contained in one document or in several documents in like form each signed by one or more Noteholders; or
 - (ii) at a meeting of Noteholders, by not less than 75% of the votes cast.
- (b) Any resolution (other than a special resolution) of the Noteholders will be duly passed if it is approved in any one of the following ways:
 - (i) by a resolution in writing signed by Noteholders who represent more than 50% of the total number of Contingent Value Notes then on issue, which resolution may be contained in one document or in several documents in like form each signed by one or more Noteholders; or
 - (ii) at a meeting of Noteholders, if carried by a simple majority of the votes cast.
- (c) For the purpose of clauses 13(a)(ii) and 13(b)(ii) of this Schedule, the Noteholders as recorded in the Register 48 hours before the time appointed for the holding of the meeting will be the only Noteholders entitled to vote on or sign any such resolution and the Contingent Value Notes so recorded at such time are the only Contingent Value Notes taken into account in determining whether the requisite majority has been obtained.
- (d) Minutes of all resolutions and proceedings at every such meeting of Noteholders will be made and duly entered in books to be from time to time provided for that purpose by the Note Issuer. Any minutes purporting to be signed by the chair of the meeting at which such resolutions were passed, or proceedings taken, or by the chair of the next succeeding meeting of Noteholders, will be conclusive evidence of the matters contained in those minutes and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made will be deemed to have been duly held and convened and all resolutions passed or proceedings taken to have been duly passed and taken.

14. Referral to Noteholders

The Note Trustee or the Note Issuer may, at its discretion, refer any question arising under or in connection with this document to a meeting of Noteholders and may if it thinks fit act in accordance with any resolution passed in relation to such question. This clause 14 does not curtail or limit in any way any power of the Note Issuer or the Note Trustee under this document.

15. General Powers of Meeting of Noteholders

Subject to other provisions of this Deed, a meeting of Noteholders will in addition to all other powers have the following powers exercisable:

- (a) by special resolution:
 - (i) to sanction the release of the Note Issuer from all or part of its liability to pay the Redemption Amount on any Contingent Value Notes;
 - (ii) to sanction any modification or compromise or arrangement in respect of the rights of Noteholders against the Note Issuer; and
 - (iii) to give any sanction, direction or request which under any of the provisions of this Deed is required to be given by a special resolution of Noteholders; and
- (b) by ordinary resolution:
 - (i) to remove the Note Trustee; and
 - (ii) to direct the Note Trustee to take Enforcement Action.

Attachment D

Note Trust Deed

Schedule 4

Redemption Determination Notice

[On Independent Assessor's letterhead]

[date]

[insert]

Dear Sirs/Madams

GoGetta Run Off Amount and Redemption Amount

We refer to the Contingent Value Note Trust Deed between Silver Chef Limited ACN 011 045 828 and Melbourne Securities Corporation Limited (ABN 57 160 326 545) dated ____ July 2019 (**Note Trust Deed**).

Unless otherwise specified, capitalised terms used in this letter have the meaning given to them in the Note Trust Deed.

We confirm that we have completed the Independent Review in accordance with the terms of our engagement and confirm:

- (a) the GoGetta Run Off Amount is A\$[insert]; and
- (b) accordingly, the Redemption Amount is A\$[insert], based on a total number of [insert] Contingent Value Notes on issue.

Yours faithfully

[insert]

Schedule 5

Instruction Letter

[date]
[Independent Assessor and address]

Dear Sirs/Madams

Instruction Letter relating to verification of GoGetta Run Off Amount and Redemption Amount

Reference is made to the Contingent Value Note Trust Deed between Silver Chef Limited ACN 011 045 828 and Melbourne Securities Corporation Limited (ABN 57 160 326 545) dated [insert] 2019 (**Note Trust Deed**).

Capitalised terms not defined in this Instruction Letter have the meanings given to those terms in the Note Trust Deed unless the context requires otherwise.

Silver Chef Limited (**Instructor**), hereby requests you to conduct an independent verification and review of the GoGetta Run Off Amount and Redemption Amount, and to provide the Redemption Determination Notice, as set out in this Instruction Letter.

1 Independent Review

The Instructor has prepared draft calculations for the GoGetta Run Off Amount and Redemption Amount, which are provided to you with this Instruction Letter.

You are instructed to conduct an Independent Review of the Instructor's calculations relating to the GoGetta Run Off Amount and Redemption Amount (to be calculated in accordance with the Note Trust Deed), and to provide a written report on the Independent Review, confirming the GoGetta Run Off Amount and Redemption Amount rounded to two decimal places.

2 Assumptions

In undertaking the Independent Review, you may make such assumptions as are reasonable and supportable by the available data at the Determination Date and consistent with the accounting policies and principles applied by Note Issuer as at the date of the Scheme Implementation Agreement, and consistent with the terms of this Instruction Letter or the Instruction Materials. These should be described in your Independent Review.

3 Relationship with the Instructor

The Instructor must assist you by providing such data or information (including raw, analysed and processed data and interpretive data and assessments) as you may reasonably require, and in any event may provide to you such data or information (including raw, analysed and processed data and interpretive data and assessments) as they believe will assist you whether or not requested or required by you.

The Instructor will be responsible for your fees.

4 Timing

You are instructed to:

- (a) provide your near final draft report outlining the Independent Review and Redemption Determination Notice as soon as reasonably practicable, and in any event within 30 days of receiving this Instruction Letter;

Attachment D

Note Trust Deed

- (b) allow the Instructor a period of 7 days to review the draft Independent Review and Redemption Determination Notice and make submissions to you in respect of the draft Independent Review and Redemption Determination Notice;
- (c) consider and take into account any submissions you have received from the Instructor and to amend the draft report for the Independent Review as you consider appropriate giving regard to any submissions; and
- (d) provide your final report outlining the Independent Review and Redemption Determination Notice as soon as practicable, and in any case within 7 days following receiving submissions from the Instructor in accordance with paragraph (c) above.

It is of importance to the Instructor that the timing specified above is adhered to, however it is recognised that circumstances out of your control may cause delays that prevent this being achieved. You are asked to immediately inform the Instructor of any circumstances that may lead to any delay, including the expected period of delay, in the completion of your Independent Review outside the time period above.

Yours faithfully

Signing page

Executed as a deed.

EXECUTED by **SILVER CHEF
LIMITED** in accordance with section
127(1) of the *Corporations Act 2001*
(Cth) by authority of its directors:

.....
Signature of director

ANDREW PETER KEMP

.....
Name of director (block letters)

.....
Signature of ~~director~~/company
secretary

CRAEME FALLET
.....
Name of ~~director~~/company secretary
(block letters)

EXECUTED by **MELBOURNE
SECURITIES CORPORATION
LIMITED** in accordance with section
127(1) of the *Corporations Act 2001*
(Cth) by authority of its directors:

.....
Signature of director

Matthew Fletcher

.....
Name of director (block letters)

.....
Signature of ~~director~~/company
secretary

Shelley Brown
.....
Name of ~~director~~/company secretary
(block letters)

Attachment E

Notices of Scheme Meetings

Notice of Court-Ordered Meeting of Founder Shareholders

Silver Chef Limited ACN 011 045 828 (Silver Chef)

Notice is hereby given that, by an order of the Supreme Court of Queensland made on 1 August 2019, pursuant to subsection 411(1) of the Corporations Act a meeting of Founder Shareholders who have made a valid election to retain their Silver Chef Shares in lieu of receiving the Scheme Consideration (Electing Founder Shareholders) will be held at Avro room, Royal on the Park, 152 Alice Street, Brisbane, Queensland 4000 on 6 September 2019, immediately following the conclusion of the General Meeting being held at 1:00pm (AEST) (Founder Shareholder Scheme Meeting).

The Silver Chef Scheme Meeting of Silver Chef Shareholders (excluding Electing Founder Shareholders) will be held immediately following the conclusion of the Founder Shareholder Scheme Meeting.

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Silver Chef and the Bidder agree) proposed to be made between Silver Chef and Silver Chef Shareholders (the Scheme).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Scheme Resolution

The meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (the Scheme Resolution):

'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Silver Chef Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of Queensland to which Silver Chef Limited and the Bidder agree.'

Chair

The Court has directed that Ms Sophia (Sophie) Mitchell is to act as chair of the meeting (and that, if Ms Mitchell is unable or unwilling to attend, Mr Andrew Kemp is to act as chair of the meeting) and has directed the chair to report the result of the Scheme Resolution to the Court.

Dated 1 August 2019

By order of the Court and the Silver Chef Board



Graeme Fallet
Chief Financial Officer and Company Secretary

Explanatory notes

1 General

This notice of meeting relates to the Scheme and should be read in conjunction with Silver Chef's Scheme Booklet dated 1 August 2019 (the **Scheme Booklet**) of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Attachment C of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in section 9 of the Scheme Booklet, unless the context otherwise requires.

2 Independent Directors' recommendation and voting intentions

As noted in the Scheme Booklet, the Independent Directors unanimously recommend that Silver Chef Shareholders vote in favour of the Scheme Resolution and each Independent Director intends to vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders.

3 Shareholder approval

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Silver Chef Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Silver Chef Shareholders, body corporate representative) at the applicable Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution (either in person or by proxy, attorney or, in the case of corporate Silver Chef Shareholders, body corporate representative) at the applicable Scheme Meeting.

4 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is agreed to by the Requisite Majority and the Conditions Precedent to the Scheme (other than approval by the Court) are satisfied or waived (if applicable) by the time required under the Scheme, Silver Chef intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

5 Entitlement to vote

The time for determining eligibility to vote at the Scheme Meeting is 7.00pm (AEST) on 4 September 2019. Only Electing Founder Shareholders entered on the Silver Chef Share Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate shareholder, by a body corporate representative.

All other Silver Chef Shareholders are not entitled to vote at the Founder Shareholder Scheme Meeting and should vote at the Silver Chef Scheme Meeting.

6 How to vote

Voting will be conducted by poll. If you are an Electing Founder Shareholder entitled to vote at the meeting, you may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the Proxy Form that accompanied the Scheme Booklet (which may be lodged online);
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

Details about your entitlement to vote, how to vote and how to appoint a proxy, attorney or corporate representative (as relevant) are set out in the Scheme Booklet in the Section "Overview of this Scheme Booklet" (commencing on page 5) and in Section 1 "Frequently asked questions" (commencing on page 11).

Attachment E

Notices of Scheme Meetings

7 Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Silver Chef Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

8 Jointly held securities

If you hold Silver Chef Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the Silver Chef Share Register will be counted.

See also the comments in paragraphs below regarding the appointment of a proxy by persons who jointly hold Silver Chef Shares.

9 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from the ASX website (www.asx.com.au) or by contacting the Company Secretary of Silver Chef or the Share Registry.

Notice of Court-Ordered Meeting of Silver Chef Shareholders

Silver Chef Limited ACN 011 045 828 (Silver Chef)

Notice is hereby given that, by an order of the Supreme Court of Queensland made on 1 August 2019, pursuant to subsection 411(1) of the Corporations Act a meeting of Silver Chef Shareholders (excluding Founder Shareholders who have made a valid election to retain their Silver Chef Shares in lieu of receiving the Scheme Consideration) will be held at Avro room, Royal on the Park, 152 Alice Street, Brisbane, Queensland 4000 on 6 September 2019, immediately following the conclusion of the Founder Shareholder Scheme Meeting (Silver Chef Scheme Meeting).

Purpose of the meeting

The purpose of the meeting is to consider and, if thought fit, to agree to a scheme of arrangement (with or without amendment or any alterations or conditions required by the Court to which Silver Chef and the Bidder agree) proposed to be made between Silver Chef and Silver Chef Shareholders (the **Scheme**).

A copy of the Scheme and a copy of the explanatory statement required by section 412 of the Corporations Act in relation to the Scheme are contained in the Scheme Booklet, of which this notice forms part.

Scheme Resolution

The meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (the **Scheme Resolution**):

'That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act 2001 (Cth), the scheme of arrangement proposed between Silver Chef Limited and the holders of its ordinary shares, as contained in and more particularly described in the Scheme Booklet of which the notice convening this meeting forms part, is agreed to, with or without alterations or conditions as approved by the Supreme Court of Queensland to which Silver Chef Limited and the Bidder agree.'

Chair

The Court has directed that Ms Sophia (Sophie) Mitchell is to act as chair of the meeting (and that, if Ms Mitchell is unable or unwilling to attend, Mr Andrew Kemp is to act as chair of the meeting) and has directed the chair to report the result of the Scheme Resolution to the Court.

Dated 1 August 2019

By order of the Court and the Silver Chef Board



Graeme Fallet
Chief Financial Officer and Company Secretary

Attachment E

Notices of Scheme Meetings

Explanatory notes

1 General

This notice of meeting relates to the Scheme and should be read in conjunction with Silver Chef's Scheme Booklet dated 1 August 2019 (the **Scheme Booklet**) of which this notice forms part. The Scheme Booklet contains important information to assist you in determining how to vote on the Scheme Resolution.

A copy of the Scheme is set out in Attachment C of the Scheme Booklet.

Capitalised terms used but not defined in this notice have the defined meanings set out in section 9 of the Scheme Booklet, unless the context otherwise requires.

2 Independent Directors' recommendation and voting intentions

As noted in the Scheme Booklet, the Independent Directors unanimously recommend that Silver Chef Shareholders vote in favour of the Scheme Resolution and each Independent Director intends to vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to consider the Scheme to be in the best interests of Silver Chef Shareholders.

3 Shareholder approval

For the proposed Scheme to be binding in accordance with section 411 of the Corporations Act, the Scheme Resolution must be agreed to by:

- unless the Court orders otherwise, a majority in number of Silver Chef Shareholders present and voting (either in person or by proxy, attorney or, in the case of corporate Silver Chef Shareholders, body corporate representative) at the applicable Scheme Meeting; and
- at least 75% of the votes cast on the Scheme Resolution (either in person or by proxy, attorney or, in the case of corporate Silver Chef Shareholders, body corporate representative) at the applicable Scheme Meeting.

4 Court approval

Under paragraph 411(4)(b) of the Corporations Act, the Scheme (with or without amendment or any alteration or condition required by the Court) is subject to the approval of the Court. If the Scheme Resolution is agreed to by the Requisite Majority and the Conditions Precedent to the Scheme (other than approval by the Court) are satisfied or waived (if applicable) by the time required under the Scheme, Silver Chef intends to apply to the Court for the necessary orders to give effect to the Scheme.

In order for the Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Scheme must be lodged with ASIC.

5 Entitlement to vote

The time for determining eligibility to vote at the Scheme Meeting is 7.00pm (AEST) on 4 September 2019. Only those Silver Chef Shareholders (excluding Founder Shareholders who have made a valid election to retain their Silver Chef Shares) entered on the Silver Chef Share Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate shareholder, by a body corporate representative.

Founder Shareholders who have made a valid election to retain their Silver Chef Shares are not entitled to vote at the Silver Chef Scheme Meeting and should vote at the Founder Shareholder Scheme Meeting.

6 How to vote

Voting will be conducted by poll. If you are a Silver Chef Shareholder (other than an Electing Founder Shareholder) entitled to vote at the meeting, you may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the Proxy Form that accompanied the Scheme Booklet (which may be lodged online);
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

Details about your entitlement to vote, how to vote and how to appoint a proxy, attorney or corporate representative (as relevant) are set out in the Scheme Booklet in the Section "Overview of this Scheme Booklet" (commencing on page 5) and in Section 1 "Frequently asked questions" (commencing on page 11).

7 Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Silver Chef Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

8 Jointly held securities

If you hold Silver Chef Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the Silver Chef Share Register will be counted.

See also the comments in paragraphs below regarding the appointment of a proxy by persons who jointly hold Silver Chef Shares.

9 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from the ASX website (www.asx.com.au) or by contacting the Company Secretary of Silver Chef or the Share Registry.

Attachment F

Notice of General Meeting

Notice of General Meeting of Silver Chef Shareholders

Silver Chef Limited ACN 011 045 828 (Silver Chef)

Notice is hereby given that, the General Meeting of members of Silver Chef will be held at 1:00pm (AEST) on 6 September 2019 at Avro room, Royal on the Park, 152 Alice Street, Brisbane, Queensland 4000.

Business – Financial Assistance Resolution

The meeting will be asked to consider and, if thought fit, pass (with or without amendment) the following resolution (the Financial Assistance Resolution):

'That for the purposes of sections 260A(1)(b) and 260B of the Corporations Act 2001 (Cth), approval is given for Silver Chef Limited (ACN 011 045 828) to give financial assistance by issuing Contingent Value Notes in accordance with the Scheme as described in the Explanatory Statement annexed to this Notice of General Meeting.'

Dated 1 August 2019

By order of the Silver Chef Board



Graeme Fallet
Chief Financial Officer and Company Secretary

Explanatory notes

1 General

These explanatory notes form part of the Notice of General Meeting. Silver Chef Shareholders should read these explanatory notes carefully before voting on the Financial Assistance Resolution at the General Meeting.

Additionally, Silver Chef Shareholders should read Silver Chef's Scheme Booklet dated 1 August 2019 (the **Scheme Booklet**) of which this notice forms part. The Scheme Booklet contains additional information to assist you in determining how to vote on the Financial Assistance Resolution.

Capitalised terms used but not defined in this notice have the defined meanings set out in section 9 of the Scheme Booklet, unless the context otherwise requires.

2 Independent Directors' recommendation

As noted in the Scheme Booklet, the Independent Directors unanimously recommend that Silver Chef Shareholders vote in favour of the Financial Assistance Resolution.

3 Financial assistance

3.1 Background

On 3 July 2019, Silver Chef announced that it had entered into a Scheme Implementation Agreement with the Bidder, under which it is proposed that the Bidder will acquire all of the Scheme Shares (other than the Retained Shares) through a scheme of arrangement, subject to approval by Silver Chef Shareholders (among other conditions).

If the Scheme becomes Effective, Shareholders (excluding Electing Founder Shareholders) will receive:

- (a) Cash Scheme Consideration of \$0.70; and
- (b) one Contingent Value Note,

for each Silver Chef Share held as at the Record Date.

It is proposed that Silver Chef will be the issuer of the Contingent Value Notes.

Ineligible Foreign Shareholders will not be issued Contingent Value Notes and Silver Chef will instead issue to the Custodian the aggregate number of Contingent Value Notes that would otherwise have been issued to the Ineligible Foreign Shareholders if they had been eligible.

If the Redemption Conditions are satisfied, Silver Chef will be required to pay each Noteholder the Redemption Amount to redeem all of their Contingent Value Notes. There is no guarantee that the Redemption Conditions will be met or that any Redemption Amount will be payable.

The issue of Contingent Value Notes to Shareholders by Silver Chef will constitute financial assistance for the purposes of Part 21.3 of the Corporations Act.

Approval by Silver Chef Shareholders of the Financial Assistance Resolution is a Condition Precedent to the Scheme. Accordingly, the Scheme will not be implemented if the Financial Assistance Resolution is not passed by the Requisite Majority.

3.2 Restrictions on providing financial assistance

Under section 260A(1) of the Corporations Act a company may financially assist a person to acquire shares in the company only if:

- (a) giving the assistance does not materially prejudice:
 - (1) the interests of the company or its shareholders; or
 - (2) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B of the Corporations Act; or
- (c) the assistance is exempted under section 260C of the Corporations Act.

The purpose of the General Meeting is to seek approval from Silver Chef Shareholders for the purpose of section 260A(1)(b) and 260B of the Corporations to allow Silver Chef to issue Contingent Value Notes in accordance with the Scheme.

In accordance with section 260B(4) of the Corporations Act, Silver Chef must include with this Notice of General Meeting all the information known to Silver Chef that is material to the decision on how to vote on the Financial Assistance Resolution. However, Silver Chef is not required to include information to the extent that it would be unreasonable to require Silver Chef to do so because Silver Chef had previously disclosed the information to Silver Chef Shareholders.

The Independent Directors consider that this Notice of General Meeting, the accompanying explanatory notes, when read together with the Scheme Booklet, satisfy the requirements of section 260B(4) of the Corporations Act.

Attachment F

Notice of General Meeting

3.3 Contingent Value Notes

The following section sets out a summary of the rights attaching to the Contingent Value Notes. The terms of the Contingent Value Notes are set out in full in the Note Trust Deed, a copy of which is contained in Attachment D to the Scheme Booklet. A summary of the material terms of the Note Trust Deed is set out in Section 4.6 of the Scheme Booklet.

(a) Calculation of Redemption Amount

The Redemption Amount for each Contingent Value Note will be calculated (in accordance with the terms set out in the Note Trust Deed) on 50% of the net cash proceeds above \$10 million recouped by the Silver Chef Group in running down the GoGetta Business net of all outgoings and claims including contingent costs and expenses incurred (**GoGetta Run Off Amount**), calculated as at the Determination Date of 30 June 2021 and divided by the total number of Silver Chef Shares on issue on the Implementation Date. In particular, no Redemption Amount is payable until Silver Chef's Facility B has been repaid in full.

Full details of the formula for calculating the GoGetta Run Off Amount and Redemption Amount are set out in the Note Trust Deed.

If the net cash proceeds recouped in running down the GoGetta Business do not exceed \$10 million as at the Determination Date, no Redemption Amount will be paid and all Contingent Value Notes will be cancelled.

(b) Independent Assessor

No later than 3 months before the Determination Date of 30 June 2021, Silver Chef must appoint, the Independent Assessor for the purposes of verifying the GoGetta Run Off Amount and Redemption Amount, if any.

Within 60 days of the Determination Date of 30 June 2021, Silver Chef must determine the proposed GoGetta Run Off Amount and Redemption Amount.

Silver Chef must instruct the Independent Assessor to verify the GoGetta Run Off Amount and Redemption Amount within 30 days and provide all information reasonably required by the Independent Assessor to enable the Independent Assessor to conduct the review.

Silver Chef will have a period of 7 days to review the draft report of the Independent Assessor and provide submissions, if any. The Independent Assessor must consider the submissions and issue its final report within 7 days of receiving the submissions from Silver Chef.

Absent any manifest error or fraud, the determination of the Independent Assessor will be final and binding on all parties.

(c) Redemption Conditions and payment of Redemption Amount (if any)

The Contingent Value Notes will only be redeemable if all of the Redemption Conditions are satisfied. If one or more Redemption Condition is not satisfied, no obligation to pay the Redemption Amount in respect of any Contingent Value Note will arise.

The Redemption Conditions will be satisfied if:

- the Independent Assessor has completed its independent review of the GoGetta Amount and Redemption Amount and issued the Redemption Determination Notice to Silver Chef; and
- the Redemption Amount is greater than \$0.

If the Redemption Conditions are satisfied, Silver Chef must redeem the Contingent Value Notes by:

- notifying the Note Trustee in writing that the Redemption Conditions have been satisfied and providing a copy of the redemption determination notice to the Note Trustee (if not already provided) within 5 Business Days after the date on which the last of the Redemption Conditions was satisfied; and
- paying to each Noteholder the aggregate total Redemption Amount for all Contingent Value Notes held by the Noteholder on the Determination Date, rounded up or down to the nearest whole cent within 14 days of receiving the Redemption Determination Notice.

3.4 Ineligible Foreign Shareholders

The issue of Contingent Value Notes in accordance with the Scheme as set out in this Scheme Booklet does not constitute an offer of Contingent Value Notes, or any debt security, in any jurisdiction in which, or to any person to whom, it would not be lawful to issue or to make an offer of such securities. No action has been taken to permit the issue of Contingent Value Notes in any jurisdiction outside Australia and New Zealand.

Silver Chef has no obligation under the Scheme to issue Contingent Value Notes to an Ineligible Foreign Shareholder.

Under the terms of the Scheme, Silver Chef will, on the Implementation Date, issue to the Custodian the total number of Contingent Value Notes that would otherwise have been issued to the Ineligible Foreign Shareholders, if those Ineligible Foreign Shareholders were Scheme Shareholders entitled to receive Contingent Value Notes.

Silver Chef has provided an irrevocable direction to the Custodian to:

- pay to each Ineligible Foreign Shareholder the cash amount set out below; and
- give the chair of each meeting of Noteholders, an open proxy to vote all of the Contingent Value Notes to which the Custodian is entitled (**Custodian CVNs**) as the chair sees fit, to be given within the time required under and otherwise in accordance with the Note Trust Deed.

The obligations of Silver Chef to the issue of Contingent Value Notes to the Custodian will be satisfied by Silver Chef:

- registering or procuring the registration of the name and address of the Custodian on the Notes Register as the holder of the Custodian CVNs; and
- procuring that the Custodian (or its replacement from time to time) is appointed to:
 - hold the Custodian CVNs until the earlier of:
 - » the termination of the Note Trust Deed; and
 - » the redemption or cancellation of the Custodian CVNs in accordance with the terms of the Note Trust Deed; and
 - promptly following receipt of the aggregate Redemption Amount for the Custodian CVNs, remit to each Ineligible Foreign Shareholder a cash amount determined as follows:

Cash amount to be paid to each Ineligible Foreign Shareholder = Redemption Amount x A

Where A = the total number of Scheme Shares held by that Ineligible Foreign Shareholder at the Record Date.

3.5 Advantages and disadvantages of the Financial Assistance Resolution

Silver Chef Shareholders should read and consider the 'Reasons to vote for/against the Scheme Resolution and Financial Assistance Resolution' set out in Section 2 of the Scheme Booklet before voting on the Financial Assistance Resolution.

Passage of the Financial Assistance Resolution is a Condition Precedent to the implementation of the Scheme. Accordingly, if the Financial Assistance Resolution is passed at the General Meeting, then, subject to the other Conditions Precedent being satisfied or waived, the Scheme will become Effective and will be binding on all Silver Chef Shareholders (including those who did not attend the Scheme Meetings and/or General Meeting or did not vote, or voted against the Scheme and/or Financial Assistance Resolution).

The principal disadvantage of the proposed Financial Assistance Resolution is that Silver Chef will become liable for the Redemption Amount under the Scheme. The Redemption Amount, if any, will not become determined until after 30 June 2021.

There is no guarantee as to Silver Chef's financial position or ability to pay the Redemption Amount at the time any Redemption Amount becomes payable. The Contingent Value Notes are unsecured notes.

If the Scheme is implemented, the only Silver Chef Shareholders after the Implementation Date will be the Bidder and Electing Founder Shareholders.

3.6 Effect of financial assistance

The Contingent Value Notes will only be redeemed in circumstances where the GoGetta Run Off Amount exceeds \$10 million as at the Determination Date of 30 June 2021 and the Facility B has been repaid in full.

If the Scheme Resolution and Financial Assistance Resolution are approved, all of the Independent Directors will resign and Silver Chef will be controlled by the Bidder.

Accordingly, it is not possible for the Independent Directors to determine the effect of the financial assistance on Silver Chef at this time.

4 Prior notice to ASIC

As required by section 260B(5) of the Corporations Act, copies of the Notice of General Meeting and explanatory statement were lodged with ASIC before their despatch to Silver Chef Shareholders.

5 Shareholder approval

In accordance with section 260B(1)(a) of the Corporations Act, shareholder approval must be given by way of a special resolution of shareholders passed at a general meeting.

Accordingly, the Financial Assistance Resolution must be approved by at least 75% of the votes cast on the Financial Assistance Resolution (either in person or by proxy, attorney or, in the case of corporate Silver Chef Shareholders, body corporate representative) at the General Meeting

6 Entitlement to vote

The time for determining eligibility to vote at the General Meeting is 7.00pm (AEST) on 4 September 2019. Only Silver Chef Shareholders entered on the Silver Chef Share Register at that time will be entitled to attend and vote at the meeting, either in person, by proxy or attorney, or in the case of a corporate shareholder, by a body corporate representative.

7 How to vote

Voting will be conducted by poll. Silver Chef Shareholders entitled to vote at the meeting may vote by:

- attending and voting in person;
- appointing one or two proxies to attend and vote on your behalf, using the Proxy Form that accompanied the Scheme Booklet (which may be lodged online);
- appointing an attorney to attend and vote on your behalf, using a power of attorney; or
- in the case of a body corporate, appointing a body corporate representative to attend the meeting and vote on your behalf, using a certificate of appointment of body corporate representative.

Details about your entitlement to vote, how to vote and how to appoint a proxy, attorney or corporate representative (as relevant) are set out in the Scheme Booklet in the Section “Overview of this Scheme Booklet” (commencing on page 5) and in Section 1 “Frequently asked questions” (commencing on page 11).

8 Attendance

If you or your proxies, attorneys or representative(s) plan to attend the meeting, please arrive at the venue at least 30 minutes before the scheduled time for commencement of the meeting, so that your shareholding can be checked against the Silver Chef Share Register, any power of attorney or certificate of appointment of body corporate representative verified, and your attendance noted.

9 Jointly held securities

If you hold Silver Chef Shares jointly with one or more other persons, only one of you may vote. If more than one of you attempts to vote in person at the meeting, only the vote of the holder whose name appears first on the Silver Chef Share Register will be counted.

See also the comments in paragraphs below regarding the appointment of a proxy by persons who jointly hold Silver Chef Shares.

10 Advertisement

Where this notice of meeting is advertised unaccompanied by the Scheme Booklet, a copy of the Scheme Booklet can be obtained by anyone entitled to attend the meeting from the ASX website (www.asx.com.au) or by contacting the Company Secretary of Silver Chef or the Share Registry.

Corporate directory

Silver Chef Limited

Park Tower
20 Pidgeon Close
West End QLD 4101

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Corporate Adviser

Adara Partners (Australia) Pty. Limited
Level 1, 21A Elliott Street
Balmain NSW 2038

Legal Adviser

Jones Day
Level 31, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

ASX Listing

Silver Chef ordinary shares
are quoted by the ASX (ASX: SIV)



If you have any questions in relation to this Scheme Booklet or the Transaction, you should call the **Silver Chef Shareholder Information Line on 1300 648 874** (within Australia) or +61 2 8355 1000 (outside Australia) Monday to Friday between 8.30am and 5.00pm (AEST) or email corporateactions@shareholdersfirst.com.au