

Notice of Meeting 2014

To be held at PricewaterhouseCoopers,
201 Sussex Street, Sydney, New South Wales

Friday 22 May 2015 at 11.00am

The entry to PricewaterhouseCoopers is located on the corner of Sussex and Druitt Streets. Please proceed up the escalator and head towards the coffee stand which is immediately in front of the escalator. The PricewaterhouseCoopers Concierge is located diagonally opposite the coffee stand through the double glass doors.



Chairman's message

A robust financial result for 2014

Following growth in the number of deaths in its markets, plus contributions from acquired businesses, InvoCare has delivered a robust financial result for 2014.

On behalf of the Board of Directors I invite all shareholders to attend the Annual General Meeting at 11.00am on Friday 22 May 2015.

Operating earnings after tax grew by 8.7% to \$46.2 million for the year due to an estimated 3.2% growth in the number of deaths in InvoCare's key markets. The Company also benefited from the strong performance of recently acquired businesses. Statutory profit after tax, which includes asset sale gains and the non-cash impact of movements in prepaid contracts funds under management and associated liabilities, increased 11.5% to \$54.5 million. A significant reason for this was a substantial improvement in the net gain from prepaid contracts. Pleasingly, all geographic regions contributed positively and in line with expectations to the result.

A presence in the US has been established in southern California built around a low cost model focusing on service excellence delivered by mobile arrangers and partnerships with key suppliers. This initiative is led by an experienced senior funeral executive and has operations in Los Angeles, Orange County and San Diego.

The attention to staff development and training was a major achievement in 2014 along with the articulation of vision and value statements which all InvoCare employees can embrace in the continued quest to deliver outstanding services to client families. These values focus on collaboration, accountability, responsiveness and excellence built around innovation, vocation and care.

On behalf of the Board and all shareholders I would like to thank Andrew Smith for his contributions over the last nine years and welcome Martin Earp who will assume the role of CEO on 1 May 2015. All the management and staff of InvoCare deserve a special thank you for delivering solid financial results during 2014. The Board, during its visits to various operational locations, continues to be impressed by the professionalism, dedication and sense of vocation of InvoCare's personnel.

I personally encourage all shareholders to attend the Annual General Meeting to hear more about the 2014 results, receive an update on 2015 trading to date and hear about strategies for the future. Everyone who attends will have the opportunity to raise issues of interest or concern.



Richard Fisher
Chairman



Operating earnings

\$46.2m

Operating earnings after tax grew by 8.7% to \$46.2 million for the year.



5.8%

Increase of total dividends for the year to 36.5 cents per share.

Cash conversion ratio

106%

Strong operating EBITDA to cash conversion ratio.

Five year Financials

\$'000	2014	2013	2012	2011	2010
Revenue from external customers	413,011	385,352	368,652	321,113	267,449
Operating EBITDA	101,082	95,072	93,026	81,802	70,411
Operating EBITDA margin	24.5%	24.7%	25.2%	25.5%	26.3%
Operating earnings after tax*	46,192	42,498	42,479	36,406	32,928
Operating earnings per share (cents)	42.2	38.9	38.8	34.5	32.4
Profit after tax attributable to members	54,515	48,869	44,479	27,012	27,366
Earnings per share (cents)	49.8	44.7	40.6	25.6	26.9
Dividend paid in respect of the financial year (cents)	36.5	34.5	34.0	29.75	28.25
Ungeared, tax free operating cash flow	106,784	104,311	88,542	75,411	69,059
Proportion of EBITDA converted to cash	106%	110%	95%	92%	98%
Actual capital expenditure	26,665	19,264	18,412	16,723	14,266
Net debt	218,862	215,057	217,136	209,114	147,538
Operating EBITDA/Net interest (times)	8.0	6.8	6.7	6.7	7.1
Net debt/EBITDA (times)	2.2	2.3	2.3	2.5	2.1
Funeral homes (number)	243	237	232	226	177
Cemeteries and crematoria (number)	14	14	14	14	12
Employees (full-time equivalents)	1,532	1,470	1,470	1,430	1,112
Prepaid contract sales/prepaid redemptions	8%	15%	16%	22%	20%

*Operating earnings after tax excludes the net gain/(loss) on undelivered prepaid contracts, gain/(loss) on sale, disposal or impairment of non-current assets and non-controlling interests.

InvoCare Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of members of InvoCare Limited (InvoCare or the Company) will be held at the offices of PricewaterhouseCoopers, 201 Sussex Street, Sydney, New South Wales on Friday 22 May 2015 at 11.00am.

Ordinary business

Item 1 – Financial reports

To receive and consider the Financial Report, Directors' Report and Independent Audit Report of InvoCare Limited and its controlled entities for the year ended 31 December 2014.

Item 2 – Adoption of remuneration report

To consider and, if thought fit, to pass the following ordinary resolution:

Resolution 1

"That the Remuneration Report (which forms part of the Directors' Report) for the year ended 31 December 2014 be adopted."

Note: The vote on this resolution is advisory only and does not bind the directors or the Company.

Item 3 – Election of directors

To consider and, if thought fit, to pass the following ordinary resolutions:

Resolution 2

"That Aliza Knox, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the Company."

Resolution 3

"That Christine (Tina) Clifton, who retires by rotation in accordance with the Company's Constitution, be re-elected as a director of the Company."

Resolution 4

"That Gary Stead, being a Director appointed by the Board since the last Annual General Meeting, and who retires in accordance with the Company's Constitution, be elected as a director of the Company."

Item 4 – Increase in directors' fee pool

To consider and, if thought fit, to pass the following ordinary resolution:

Resolution 5

"That with effect from the day after the conclusion of the 2014 Annual General Meeting of InvoCare Limited, for the purpose of Article 9.9 of the Constitution and Rule 10.17 of the ASX Listing Rules, the non-executive directors' aggregate fee pool be increased by \$250,000 to an amount not exceeding \$1,250,000 per annum."

Item 5 – Approval of Termination Benefits for Mr Andrew Smith

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

Resolution 6

"That approval be given, for the purposes of Sections 200B and 200E of the Corporations Act and for all other purposes, for the Company to pay and provide to Mr Andrew Smith (the Company's retiring Managing Director and Chief Executive Officer), in connection with his retirement from office and cessation of employment with the Company, retirement benefits including unvested long-term incentive shares and a short-term incentive cash payment, as described in the Explanatory Notes accompanying the Notice of Annual General Meeting."

Explanatory statements

Financial Reports

The Corporations Act 2001 (Cth) (**Corporations Act**) requires the Financial Report (which includes the financial statements and Directors' Declaration), the Directors' Report and the Independent Audit Report of the Company to be laid before the Annual General Meeting. There is no requirement either in the Corporations Act or in the Company's Constitution for shareholders to approve the Financial Report, the Directors' Report or the Independent Audit Report. Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on these reports.

Adoption of remuneration report

Resolution 1 – Adoption of remuneration report

In accordance with section 250R(2) of the Corporations Act, the Remuneration Report is put to shareholders for adoption. The Remuneration Report is set out on pages 38 to 49 inclusive of the 2014 Annual Report and is available on InvoCare's website www.invocare.com.au.

The vote on this resolution is advisory only and does not bind the directors or the Company. Reasonable opportunity for shareholders to ask questions about

or comment on the Remuneration Report will be given at the meeting.

Voting Exclusion Statement

In accordance with the Corporations Act, a vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any member of the key management personnel of the Company, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a member. However, such a person described above may cast a vote on Resolution 1 if:

- the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- the person is the Chairman of the Meeting and the appointment of the Chairman as proxy:
 - does not specify the way the proxy is to vote on the resolution; and
 - expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company.

Election of directors

Resolution 2 – Election of Aliza Knox

Aliza Knox retires by rotation in accordance with the Company's Constitution and, being eligible, offers herself for re-election.

Aliza Knox was appointed as a director of InvoCare Limited on 1 October 2011 and became a member of the Risk Committee later that month. Aliza is a digital media and financial service executive with more than two decades of broad international marketing and management experience. Aliza joined Twitter in Asia Pacific as Managing Director Online Sales in November 2012. She was formerly Managing Director of the Online Sales Group for Google Asia Pacific and then the Managing Director Commerce for Google Asia Pacific, with responsibility for China, India, South East Asia, Japan, Australia and all other countries in the region.

Her previous roles have included Senior Vice President at global payments technology company Visa International, with responsibility for commercial solutions and global product platforms, Senior Vice President at investing services and solutions

Explanatory statements continued

provider Charles Schwab & Company, with responsibility for international wireless and Asian expansion, and Partner at Boston Consulting Group as head of its Asian Financial Services Practice.

She is also a non-executive director of Singpost and GfK, as well as an advisor to several organisations and a government committee in Singapore.

Aliza holds a Bachelor of Arts, *summa cum laude*, (Applied Math and Economics) from Brown University (USA) and Masters of Business Administration with honours (Marketing) from New York University Graduate School of Administration (USA).

The Board finds Aliza's extensive marketing and digital media experience helpful particularly in setting strategies in this rapidly changing area.

The Board considers Aliza Knox to be an independent director.

The directors (with Aliza Knox abstaining) recommend you vote in favour of this resolution.

Resolution 3 – Election of Christine (Tina) Clifton

Tina Clifton retires by rotation in accordance with the Company's Constitution and, being eligible, offers herself for re-election.

Tina Clifton has been a director of InvoCare Limited since 24 October 2003. She is a registered medical practitioner, and formerly a Councillor of the University of New South Wales, a director of various public and private companies largely in the healthcare sector, including HCF, Health Care Australia, Ambri Ltd, the Garvan Institute of Medical Research, the Victor Chang Cardiac Research Institute and St Vincents Hospitals. Prior to 2001, Tina held various positions in the public and private healthcare sectors, including Chief Executive Officer of the Sisters of Charity Health Service in New South Wales and deputy Chief Executive Officer of the Northern Sydney Area Health Service. From 1980 to 1988 Tina was a general practitioner. She has also been President of the Doctors Health Advisory Service and involved in NSW mental health services Official Visitors' programme. Tina holds degrees in medicine and health administration from the University of New South Wales and obtained a specialist qualification in medical administration (FRACMA).

The Board particularly relies on Tina's skills and experience in relation to risk management and administration, in addition to her general business knowledge, when formulating decisions.

The Board considers Tina Clifton to be an independent director.

The directors (with Tina Clifton abstaining) recommend you vote in favour of this resolution.

Resolution 4 – Election of Gary Stead

Gary Stead, being a Director appointed by the Board since the last Annual General Meeting, retires in accordance with the Company's Constitution and, being eligible, offers himself for election.

Gary Stead was appointed a Non-executive director of InvoCare Limited on 1 September 2014. Gary has spent 30 years in the financial services sector, including 20 years in investment banking and the past 10 years in investment management. He is currently Managing Director of Olympus Capital Asia Credit and prior to that, Chief Executive of Fortress Investment Group Australia, where he established its Australian operations in 2004. For 13 years he held various senior roles at Merrill Lynch, including Managing Director and head of mergers and acquisitions in Australia, Asia Pacific and Japan, co-head of investment banking and a member of the Management Committee in Merrill Lynch Japan Securities, and Vice Chairman, investment banking in Australia following earlier roles at both Schroders in Australia and Salomon Brothers in New York. Gary started his working career as a solicitor with Mallesons Stephen Jaques.

Gary holds commerce and law degrees from the University of New South Wales and an MBA from Wharton Graduate School of Business at the University of Pennsylvania.

The Board finds Gary's extensive international experience particularly valuable when considering international opportunities.

The Board did not identify any material adverse information about Gary Stead when it performed background and other checks prior to his appointment.

The Board considers Gary Stead to be an independent director.

The directors (with Gary Stead abstaining) recommend you vote in favour of this resolution.

Increase in directors' fee pool

Resolution 5 – Increase in directors' fee pool

At the 2011 Annual General Meeting held on 11 May 2012, shareholders approved a maximum aggregate non-executive directors' fee cap of \$1,000,000 per annum. Additional remuneration may be paid to directors for performing additional or special duties for the Company. Executive directors are paid as employees in accordance with their employment arrangements.

Shareholder approval is now sought to increase by \$250,000 the non-executive directors' fee cap from \$1,000,000 to \$1,250,000, with effect from 1 January 2015. Shareholder approval is being sought for the purposes of article 9.9 of the Constitution and rule 10.17 of the ASX Listing Rules. The increase is proposed:

- in line with the growth of the Company and its international expansion, an additional Non-executive Director, Gary Stead, has been appointed within the last year;
- to permit additional directors to be appointed if the needs of the Company warrant additional skills on the Board;
- to allow the Company to continue to be able to attract and retain directors with appropriate experience, calibre and integrity, especially in recognition of the ever increasing complexity and time commitments required to fulfil the role;
- to respond to market competitive remuneration increases for directors; and
- to continue to develop and grow the Company and shareholder value.

The increase has been proposed after receiving advice from external consultants who noted that the fees proposed are comparable to those of similar ASX companies. The fee pool increase should be adequate to enable normal fee increases to be accommodated for the next few years.

Voting Exclusion Statement

The Company will disregard any votes on Resolution 5 by any director of the Company, being Richard Fisher, Martin Earp, Christine Clifton, Roger Penman, Richard Davis, Aliza Knox and Gary Stead, or an associate of any of the directors.

However, the Company need not disregard a vote, if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

The Company will also disregard any votes cast on Resolution 5 by a member of the key management personnel of the Company's consolidated group or any of their closely related parties that is appointed as proxy where the proxy appointment does not specify the way the proxy is to vote on Resolution 5, except that votes cast by the person chairing the meeting as proxy appointed in writing, in accordance with a direction on the proxy form to vote as the proxy decides, will not be excluded.

Explanatory statements continued

The directors make no recommendation in relation to the proposed increase due to the non-executive directors' personal interest in the resolution. Shareholders should judge for themselves whether or not the fee cap increase should be approved.

Approval of Termination Benefits for Mr Andrew Smith

Resolution 6 – Approval of Termination Benefits for Mr Andrew Smith

Resolution 6 seeks approval, for the purposes of the termination benefit provisions in Division 2 of Part 2D.2 of the *Corporations Act 2001* (Cth) (the **Corporations Act**) (and all other purposes), for the payment and provision by the Company to Mr Andrew Smith of certain benefits in connection with his retirement from office and cessation of employment with the Company on 30 April 2015 which was announced to the ASX on 17 December 2014.

Background

As many shareholders will be aware, Mr Smith joined InvoCare as its Chief Financial Officer on 16 January 2006, was appointed Chief Operating Officer on 28 March 2007 and has served as Managing Director and Chief Executive Officer of the Company for more than six years since 1 January 2009.

Mr Smith's remuneration and other terms of employment were formalised in a service agreement which has been updated from time to time during his employment. The most recent agreement provided for employment for a period of three years and four months beginning on 1 January 2012 and, subject to agreement to extend the term, ending on 30 April 2015. As announced to the market on 17 December 2014, the Board did not extend Mr Smith's term and Mr Martin Earp has been appointed to succeed Mr Smith.

During the period of Mr Smith's employment with InvoCare:

- the Company has more than doubled in size, assisted by a successful greenfield expansion programme and the completion of many acquisitions, including, importantly, Bledisloe in 2011, which was the second-largest operator in Australia and market leader in New Zealand; and
- the market capitalisation of the Company increased from approximately \$400 million in January 2006 to approximately \$520 million at the time of his appointment as CEO in January 2009 and to approximately \$1.4 billion now.

Mr Smith's leadership, drive and strategic vision over that period were instrumental in building the Company into the enterprise

it is today, and in delivering exceptional growth in shareholder value. Mr Smith has worked collaboratively with the Board and his successor Mr Earp to ensure a smooth transition in the best interests of the Company.

In view of the above, the Board believes it is appropriate to seek, and recommend, shareholder approval of the provision of certain termination related benefits to Mr Smith consistent with the terms of his service agreement.

Mr Smith's entitlements

The Company is required, in accordance with the terms of Mr Smith's service agreement, subject to compliance with relevant law, to pay the following amounts, or provide the following benefits, to Mr Smith on termination of his service agreement upon reaching its due termination date on 30 April 2015:

- a) a cash payment for any accrued but unpaid fixed remuneration, including superannuation, in respect of his employment by the Company up until 30 April 2015;
- b) a cash payment for accrued but untaken annual leave entitlements up to 30 April 2015, estimated to be \$61,831 (or 21.9 days);
- c) a cash payment for accrued but untaken long service leave entitlements up to 30 April 2015, estimated to be \$115,368 (or 40.8 days);
- d) a cash payment of a pro rata amount of his Short Term Incentive award bonus for the year ending 31 December 2015, the maximum amount of which will be \$139,836 with the actual amount determined based upon achievements against defined performance targets ("**2015 STI**"); and
- e) allow the automatic vesting of Mr Smith's unvested Long Term Incentive shares ("**Unvested LTI Shares**") that have previously been granted to him under his service agreement and in accordance with InvoCare's Deferred Employee Share Plan ("**LTI Automatic Share Vesting**").

The 2015 STI and LTI Automatic Share Vesting are discussed in more detail below.

Reason for seeking shareholder approval

The termination benefit provisions in Division 2 of Part 2D.2 of the *Corporations Act* (**Termination Benefit Provisions**) effectively limit the benefits which the Company and its subsidiaries can give to certain current or former directors or other key management personnel, including Mr Smith, in connection with their retirement from that office or position, unless shareholder approval is obtained for the giving of the benefit or an exemption applies. For this

purpose, "benefit" is given a broad meaning, and includes:

- a) a payment or other valuable consideration;
- b) any kind of real or personal property;
- c) any legal or equitable estate or interest in real or personal property; and
- d) any legal or equitable right.

It also includes:

- a) the accelerated or automatic vesting of share-based payments on or as a result of retirement from an office or position;
- b) a payment made in lieu of the giving of notice of termination; and
- c) a payment that is made as part of a restrictive covenant, restraint-of-trade clause or non-compete clause.

There are exceptions for the provision of certain kinds of benefits, including for example statutory entitlements to accrued annual and long service leave. In certain circumstances, a termination benefit may be permitted without shareholder approval if it is an amount that (when added to the value of certain other termination benefits) is not more than the relevant executive's average annual "base salary" over three years. This amount in respect of Mr Smith is \$770,000, rounded down to the nearest \$10,000 (the "**Base Cap Amount**").

For the purposes of the Termination Benefit Provisions, the relevant termination benefits for Mr Smith that require shareholder approval are his 2015 STI and LTI Automatic Share Vesting. The 2015 STI is a discretionary payment prior to the normal time of entitlement to short-term incentives and, along with the LTI Automatic Share Vesting, is being made in connection with Mr Smith's retirement.

As a result of the operation of, or the application of certain exemptions from, those *Corporations Act* Termination Benefit Provisions, the Company proposes to:

- a) pay and provide termination benefits to Mr Smith not exceeding the Base Cap Amount upon his retirement on 30 April 2015 (including the automatic vesting of part of his Unvested LTI Shares which is further explained below); and
- b) seek shareholder approval for the provision and payment to Mr Smith of those termination benefits exceeding the Base Cap Amount, being the automatic vesting of the balance of the Unvested LTI Shares not contemplated in a) above, and the payment of his 2015 STI.

Even though the service agreement gives Mr Smith a contractual right to the termination benefits (subject to compliance with relevant laws), the *Corporations Act* prohibits the Company from providing benefits exceeding the Base Cap Amount without shareholder approval

Explanatory statements continued

and Mr Smith cannot receive the benefits in breach of the Corporations Act.

Mr Smith's Unvested LTI Shares

Set out below are details of Mr Smith's Unvested LTI Shares as at the date of this notice of meeting. The numbers are expected to be the same at the cessation of his employment on 30 April 2015.

Grant Year	Granted	Vested	Unvested
2011	27,288	–	27,288
2012	35,792	23,860	11,932
2013	27,799	9,266	18,533
2014	27,417	–	27,417
2015	22,676	–	22,676
	140,972	33,126	107,846

The applicable performance hurdles to vesting of these Unvested LTI Shares have been disclosed in Remuneration Reports in the relevant Annual Reports.

The money value of the Unvested LTI Shares has been estimated to be approximately \$1.4 million, based on 107,846 shares at \$13.00 per share being an estimate of the market price of InvoCare shares. The value of InvoCare shares as at 17 March 2015 is \$13.00 per share.

The actual value of the benefit received by Mr Smith as a result of the LTI Automatic Share Vesting may differ from this valuation and will depend upon the actual price as at close of trading on the ASX ("**Closing Price**") of InvoCare shares on 30 April 2015.

Upon Mr Smith's termination on 30 April 2015, the Company will permit the automatic vesting of the maximum number of the Unvested LTI Shares that, when aggregated with the value of all other termination benefits to be provided to Mr Smith on that day (which, for the avoidance of doubt, will exclude the 2015 STI), will provide a termination benefit not exceeding the Base Cap Amount. The total number of Unvested LTI Shares to be vested on that day:

- will be determined using the Closing Price of InvoCare shares on 30 April 2015; and
- will be calculated by dividing the Base Cap Amount (i.e. \$770,000) by the Closing Price of InvoCare shares on 30 April 2015 and rounding the result down to the nearest whole number.

For example, if the Closing Price of InvoCare shares is \$13.00 per share at 30 April 2015, the Company will permit the automatic vesting of a total of 59,230 Unvested LTI Shares (i.e. \$770,000 ÷ \$13.00) on that day. Using this example, this would leave a further 48,616 Unvested LTI Shares to vest (i.e. 107,846 less 59,230), subject to obtaining shareholder approval.

Mr Smith's 2015 STI

Mr Smith will be entitled to a 2015 STI of up to a maximum amount of \$139,836, being 56.31% of his base salary plus superannuation for the four months to 30 April 2015. This is the same percentage as his STI opportunity in 2014. Further, Mr Smith's annual base salary and superannuation in 2015 is unchanged from 2014.

The actual amount of the 2015 STI to be paid to Mr Smith, subject to shareholder approval, will be determined by the InvoCare Board, in its discretion. The criteria for determining Mr Smith's actual 2015 STI entitlement are aligned with InvoCare's strategic and business objectives and include the achievement during the four months to 30 April 2015 of:

- Group EBITDA budget;
- Targeted case volume and EBITDA for the newly established operations in Southern California;
- Market share budget; and
- Digital business strategy.

At the date of this notice of meeting, the facts and circumstances to determine the actual 2015 STI entitlement are not known. Accordingly, shareholders are being asked to approve a 2015 STI up to a maximum amount of \$139,836. The payment to Mr Smith of the 2015 STI is a discretionary payment prior to the time Mr Smith would be normally entitled to his short-term incentive payment (if any) had his term of employment been extended, and is being made in connection with his retirement.

Impact on financial statements

Even though portion of the benefit of vesting of Mr Smith's Unvested LTI Shares and the 2015 STI are subject to shareholder approval, consequent upon the making of the decision and announcement that Mr Smith's contract would not be renewed, the Company recognised and expensed in the 2014 calendar year financial statements an amount of \$858,000 for the termination benefits, inclusive of on-costs.

In the case of the LTI Automatic Share Vesting, an amount of \$704,000 was recognised, being the accounting value of Mr Smith's Unvested LTI Shares that would have been expensed in subsequent financial years had his contract been extended. In the case of the 2015 STI, an amount of \$154,000 was recognised. Under the relevant accounting standards, the accounting value of the LTI Automatic Share Vesting expensed is based on the original cost to the Company of purchasing the Unvested LTI Shares when granted, which amounts are lower than the money value quoted in the example above.

Accordingly, if the proposed benefit is approved by shareholders, the payment or provision of Mr Smith's termination benefits will not impact the Company's 2015 financial results.

If shareholders do not pass the resolution in Item 5, the Company will not:

- pay to Mr Smith his 2015 STI; or
- allow the LTI Automatic Share Vesting of those Unvested LTI Shares that are not permitted to be vested pursuant to the Termination Benefit Provisions without shareholder approval (as described above).

The Unvested LTI Shares will be forfeited and there will be reversal of amounts expensed in 2014 relating to the termination benefits not approved by shareholders.

Recommendation

The Board recommends that shareholders vote in favour of the resolution in Item 5 to approve the payment and provision to Mr Andrew Smith of termination benefits exceeding the Base Cap Amount, being:

- the automatic vesting of the balance of the Unvested LTI Shares not already vested upon termination; and
- the 2015 STI up to a maximum amount of \$139,836.

Voting Exclusion Statement

The Company will disregard any votes cast on this resolution by or on behalf of certain shareholders.

The following persons may not vote, and the Company will disregard any votes cast by the following persons, on the resolution proposed in Item 5 (**Resolution 6**):

- Mr Andrew Smith or any associate of Mr Andrew Smith. However, the Company need not disregard a vote if:
 - it is cast by a person as a proxy, the proxy form directs how the vote is to be cast and the vote is cast in accordance with those directions; and
 - it is not cast on behalf of Mr Smith or any of his associates.
- A key management personnel (KMP) (or a closely related party of any such KMP) to the extent that they are appointed as a proxy and where the proxy appointment does not specify the way the proxy is to vote on Resolution 6, unless:
 - the proxy is the Chair of the meeting at which Resolution 6 is voted on; and
 - the proxy appointment expressly authorises the Chair to exercise the proxy even if Resolution 6 is connected directly or indirectly with the remuneration of a KMP.

Voting notes

For the purposes of these voting exclusions: The 'key management personnel' for the InvoCare consolidated group (or **KMPs**) are those persons having authority and responsibility for planning, directing and controlling the activities of the InvoCare consolidated group either directly or indirectly. It includes all directors (executive and non-executive). The KMPs during the year ended 31 December 2014 are listed in the Remuneration Report contained in the Directors' Report for the year ended 31 December 2014.

A 'closely related party' of a KMP means:

- a spouse or child of the KMP; or
- a child of the KMP's spouse; or
- a dependant of the KMP or of the KMP's spouse; or
- anyone else who is one of the KMP's family and may be expected to influence the KMP, or be influenced by the KMP, in the KMP's dealings with the InvoCare consolidated group; or
- a company the KMP controls.

The Company will also apply these voting exclusions, on an equivalent basis, to persons appointed as attorney by a shareholder to attend and vote at the AGM under a power of attorney.

Other business

To transact any other business which may be lawfully brought forward in accordance with the Constitution and the Corporations Act.

By order of the Board
Phillip Friery Company Secretary
17 April 2015

Note: InvoCare Limited has determined, in accordance with regulation 7.11.37 of the *Corporation Regulations 2001*, that Shares quoted on ASX at 7.00pm on 20 May 2015 are taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to vote (if not excluded) at the meeting.

Voting notes

How to vote

- A. By attending the meeting and voting either in person or by attorney or, in the case of corporate shareholders, by corporate representative; or
- B. By appointing a proxy to attend and vote on their behalf, using the enclosed proxy form.

Voting in person (or by attorney)

Shareholders and their attorneys who plan to attend the meeting are asked to arrive at the venue 60 minutes prior to the time

designated for the meeting, if possible, so that their shareholding may be checked against the share register and attendances noted. It would also be appreciated if shareholders could bring with them their proxy form which contains a bar code to facilitate entry to the meeting hall. Attorneys should also bring with them original or certified copies of the power of attorney under which they have been authorised to attend and vote at the meeting.

In order to vote in person at the meeting, a person who is a shareholder may appoint an individual to act as his/her representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of his/her appointment, including any authority under which it is signed.

Voting by proxy

1. A member who is entitled to vote at the meeting may appoint:
 - a) one proxy if the member is only entitled to one vote; or
 - b) two proxies if the member is entitled to more than one vote.
2. Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise one half of the votes, in which case any fraction of votes will be discarded.
3. A proxy need not be a member of InvoCare.
4. If you require an additional proxy form, please contact the InvoCare Share Registry on 1300 854 911, which will supply it on request.
5. The proxy form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by InvoCare's Share Registry, Link Market Services Limited, **no later than Wednesday 20 May 2015 at 11.00am (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.** Instructions for completing the proxy form are outlined on the form, which may be returned by:
 - a) posting it in the reply paid envelope provided; or
 - b) posting it to InvoCare Limited c/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235; or
 - c) hand delivering it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138

- d) or Level 12, 680 George Street, Sydney NSW 2000; or
- d) faxing it to Link Market Services Limited on fax number (02) 9287 0309; or
- e) lodging it online at **www.linkmarketservices.com.au** in accordance with the instructions provided on the website. You will need your Holder Identification Number (HIN) or Security Reference Number (SRN) to lodge your proxy form online; or
- f) posting it to InvoCare's registered office, Level 4, 153 Walker Street, North Sydney NSW 2060; or
- g) faxing it to InvoCare's registered office on fax number (02) 9332 6571.

6. Proxies given by corporate shareholders must be executed in accordance with their Constitutions, or signed by a duly authorised attorney.
7. A proxy may decide whether to vote on any motion except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as a proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, a proxy may vote as he or she thinks fit.
8. The Constitution provides that where the appointment of a proxy has not identified the person who may exercise it, the appointment will be deemed to be given in favour of the Chairman of the meeting to which it relates or to such other person as the Board determines.
9. If a shareholder appoints the Chairman of the meeting as the shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as a proxy for that shareholder, in favour of the item on a poll.

Shareholders who are entitled to vote

The Board has determined that a shareholder's entitlement to vote at the Annual General Meeting will be the entitlement of that shareholder set out in the Register of Shareholders at 7.00pm on 20 May 2015.