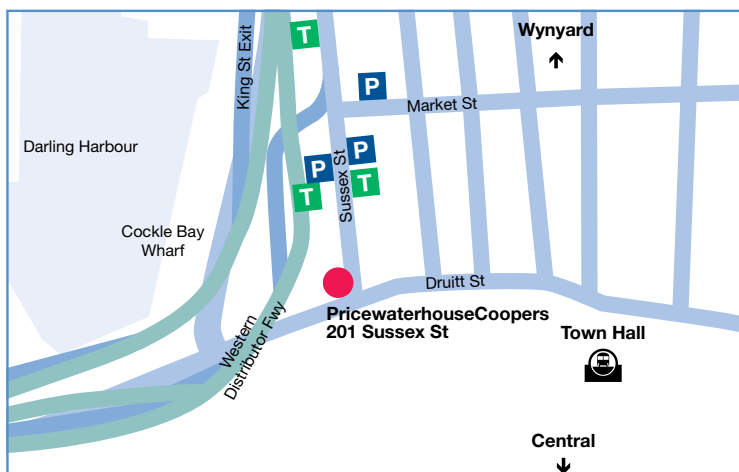


Notice of Meeting 2011

INVOCARE LIMITED
ABN 42 096 437 393

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

Friday 11 May 2012 at 10.00am.

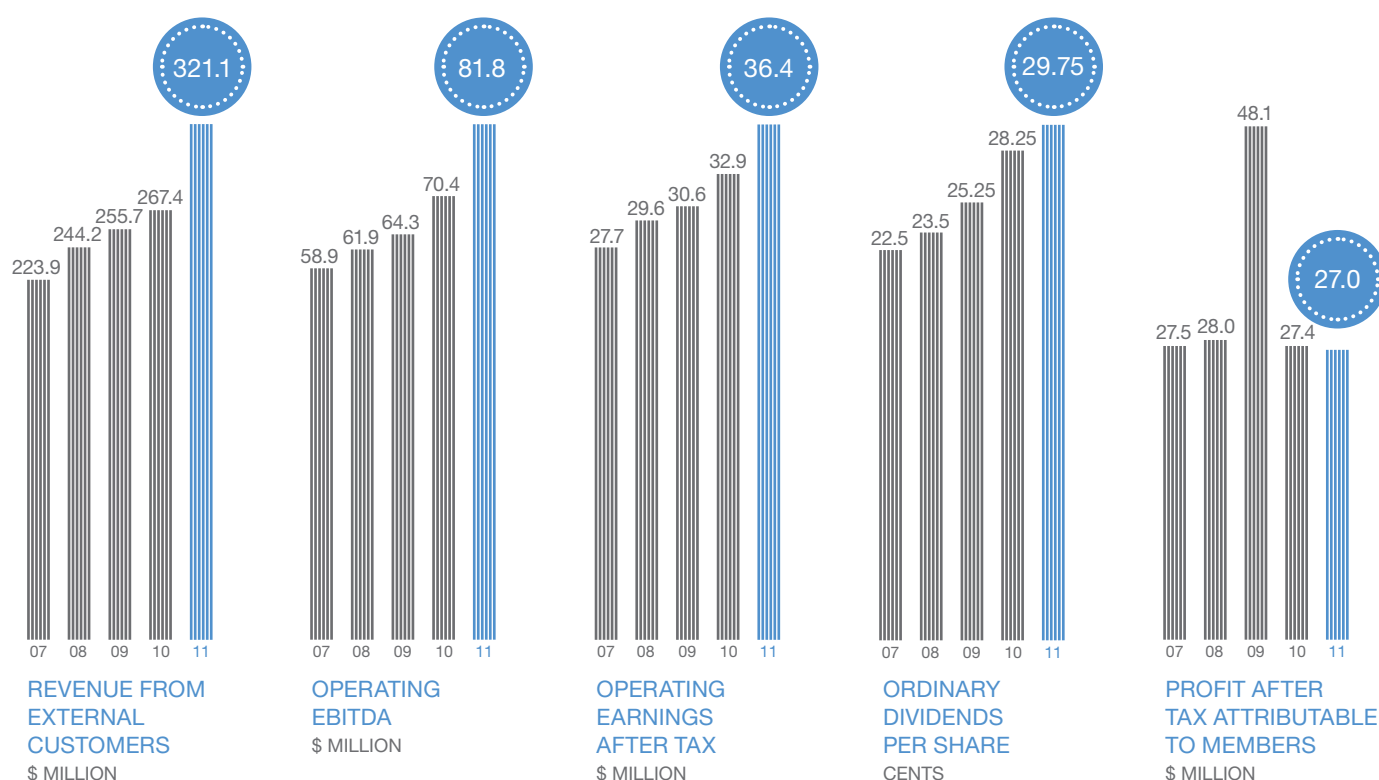


The entry to PricewaterhouseCoopers is located on the corner of Sussex and Druitt Streets. Please proceed up the escalator and head towards the coffee stand which is immediately in front of the escalator. The PricewaterhouseCoopers' Concierge is located diagonally opposite the coffee stand through the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

 **InvoCare**
Innovation Vocation Care

Performance highlights

InvoCare's proven business model produces another solid financial result.



Five year financials

\$'000	2011	2010	2009	2008	2007
Revenue from external customers	321,113	267,449	255,676	244,215	223,918
Operating EBITDA	81,802	70,411	64,273	61,874	58,935
Operating EBITDA margin	25.5%	26.3%	25.1%	25.3%	26.3%
Operating earnings after tax	36,406	32,928	30,607	28,342	27,073
Operating earnings per share (cents)	34.5	32.4	30.3	28.3	27.2
Profit after tax attributable to members	27,012	27,366	48,141	28,026	27,554
Earnings per share (cents)	25.6	26.9	47.7	28.0	27.6
Dividend paid in respect of the financial year (cents)	29.75	28.25	25.25	23.50	22.50
Ungeared, tax free operating cash flow	75,411	69,059	63,094	60,495	62,023
Proportion of EBITDA converted to cash	92%	98%	98%	98%	105%
Actual capital expenditure	16,723	14,266	13,846	16,359	17,366
Net Debt	209,114	147,538	148,358	152,452	145,886
Operating EBITDA / Net interest (times)	6.5	7.1	6.6	6.2	6.0
Net debt / EBITDA (times)	2.6	2.1	2.3	2.5	2.5
Funeral homes (number)	226	177	173	163	152
Cemeteries and crematoria (number)	14	12	12	12	12
Employees (full time equivalents)	1,430	1,112	1,101	1,052	923
Prepaid contract sales / prepaid redemptions	16.5%	16.8%	17.9%	6.9%	(2.0)%

Operating earnings excludes the net gain/(loss) on undelivered prepaid contracts, prior period tax movements, investment allowance benefits, non cash interest rate swap movements, gain/(loss) on sale, disposal or impairment of non-current assets and minority interests.

Chairman's message

InvoCare's business growth in 2011 was supported by the acquisition of the major Australian and New Zealand operator, Bledisloe, as well as a solid performance by the core operations.



On behalf of the Board of InvoCare, I invite all shareholders to attend the Annual General Meeting at 10am on Friday 11 May 2012.

InvoCare's business growth in 2011 was supported by the acquisition of the major Australian and New Zealand operator, Bledisloe, as well as a solid performance by the core operations.

The Bledisloe acquisition in June 2011 expands InvoCare's markets into New Zealand, Tasmania and regional Queensland and grows its existing presence in South East Queensland and Melbourne. InvoCare is now a significant provider of funeral services in the Asia-Pacific region with businesses across Australia, New Zealand and Singapore.

The Board personally welcomed numerous Bledisloe employees during its site visits to Brisbane, Auckland, Wellington and Christchurch in late 2011.

Service volumes increased during the year, with market share gains achieved and customer satisfaction survey results remaining at very high levels. New prepaid funeral contract sales continued to grow. Disappointing returns from prepaid funds under management have been addressed by tactical asset allocation tilts away from volatile equity markets in the main fund InvoCare is able to influence to provide improved and more stable returns 2012.

Operating Earnings after Tax was \$36.4 million, a 10.6% increase on 2010. Statutory Profit after Tax, which includes the non-cash impact of movements in prepaid contract funds under management and associated liabilities, decreased by 1.3% to \$27.0 million.

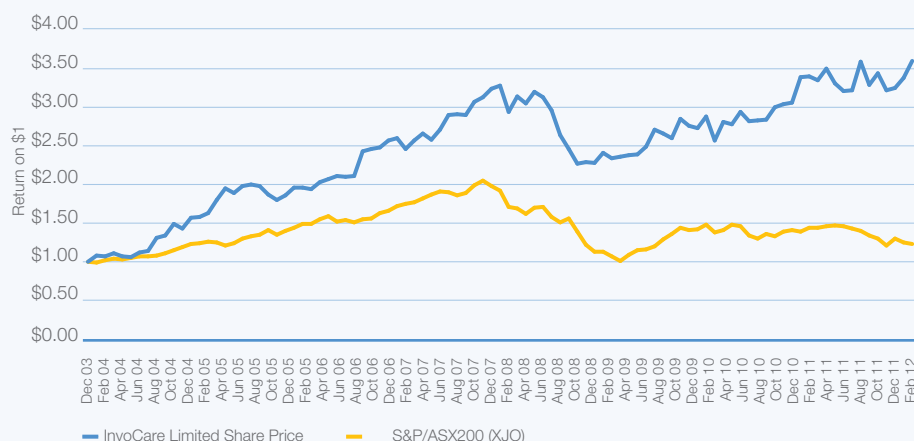
In recognition of InvoCare's larger size, the need to continually improve customer service and to pursue growth opportunities, the Board has recently endorsed some senior management changes and appointed Aliza Knox and Richard Davis as Independent, Non-Executive Directors.

On behalf of the Board and shareholders, I congratulate the management and staff of InvoCare under Andrew Smith's leadership in achieving very solid operational and financial results and in consolidating Bledisloe.

I encourage all shareholders to attend the Annual General Meeting to hear more about the 2011 results and receive an update on 2012 trading to date. All in attendance will have an opportunity to raise issues of interest or concern.

IAN FERRIER
CHAIRMAN

Return on \$1 - InvoCare Limited against S&P / ASX 200 Index (XJO)



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 11 May 2012 at 10.00am.

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 2011.

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 2011 be adopted."

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

Item 3 – Re-election of directors

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

Resolution 2

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

Resolution 3

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

Resolution 4

"That Aliza Knox, 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."

Resolution 5

"That Richard Davis, 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 6

"That with effect from the day after the conclusion of the 2011 Annual General Meeting of InvoCare Limited, for the purpose of Article 9.9 of the Constitution, the non-executive directors' aggregate fee pool be increased to an amount not exceeding \$1,000,000 per annum."

Item 5 – Financial assistance

To consider and, if thought fit, to pass the following resolution as a special resolution:

Resolution 7

"That, in accordance with section 260B(3) of the Corporations Act 2001 (Cth), approval is given for any financial assistance by Bledisloe Australia Pty Ltd and Bledone Pty Ltd (each a "New Company") that may result from transactions or performance of obligations under, including (without limitation) each New Company acceding to, the "Facility agreements" between, amongst others, the Company and Australia and New Zealand Banking Group Limited, National Australia Bank Limited and the Commonwealth Bank of Australia and the "Working capital facility agreement" between, amongst others, the Company and Australia and New Zealand Banking Group Limited, as outlined and described in the Explanatory Statements which accompanied the Notice of Annual General Meeting."

Explanatory statements

Financial Reports

The *Corporations Act 2001* 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 2001* 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 2001*, the Remuneration Report is put to shareholders for adoption. The Remuneration Report is set out on pages 35 to 47 inclusive of the 2011 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

The Company will disregard any votes on Resolution 1 by:

- any member of the key management personnel of the Company's consolidated group whose remuneration details are included in the Remuneration Report or their closely related parties, unless:
- the vote is cast by the person as proxy appointed in writing which specifies how the proxy is to vote on Resolution 1; or
- it is 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,

and the vote is not cast on behalf of a member of the key management personnel of the Company's consolidated group whose remuneration details are included in the Remuneration Report or their closely related parties; or

- any member of the key management personnel of the Company's consolidated group whose remuneration details are not included in the Remuneration Report 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 1.

Re-election of directors

Resolution 2 – Re-election of Ian Ferrier

Ian Ferrier retires by rotation in accordance with the Company's Constitution and being eligible offers himself for re-election.

Ian has held the position of Chairman of InvoCare Limited since 8 May 2001. He is a Fellow of The Institute of Chartered Accountants in Australia. Ian is also Chairman of the Nomination Committee and a member of the Risk and Remuneration committees. He has had over 46 years of experience in company corporate recovery and turnaround practice in various industries including property and development, tourism, manufacturing, retail, hospitality and hotels, infrastructure and aviation. He is co-founder and Chairman of BRI Ferrier, a specialist corporate advisory firm and a director of a number of private and public companies. Ian is currently Chairman of InvoCare Limited, Goodman Limited and Australian Vintage Limited and a director of Energy One Limited and Reckon Limited. He is also co-chairman of the National Centre of Indigenous Excellence.

The Board particularly rely on Ian's skills and experience in relation to strategy and general business administration matters, in addition to his general business knowledge, when formulating decisions.

The directors (with Ian Ferrier abstaining) recommend you vote in favour of this resolution.

Resolution 3 – Re-election of Benjamin Chow

Benjamin Chow retires by rotation in accordance with the Company's Constitution and being eligible offers himself for re-election.

Benjamin Chow was appointed as a director of InvoCare Limited on 22 February 2007 and became a member of the Risk Committee and the Nomination Committee at the same time. He joined the Remuneration Committee in September 2010. Benjamin has worked continuously in the land development industry, both in Australia and South East Asia since 1968, having immigrated to Australia in 1962. He chaired the Council for Multicultural Australia which assists the Australian Government to implement its multicultural policies. He is the Deputy Chairman of NSW Government Multicultural Business Advisory Panel, the President of Sydney Executive Business Lions Club, President of Sydney University Nerve Research Foundation, a Director of Chain Reaction Foundation and an Honorary Governor to the Council of Sydney Medical School Foundation, University of Sydney. He served six years on the Council of the National Museum of Australia as well as Bond University. He served and continues to serve many leading Chinese community organisations in Sydney for over 30 years. He was awarded a Centenary Medal in 2001 and an Officer of the Order of Australia in 2007.

Benjamin's extensive property experience and insights into Asia are particularly valuable to other board members when issues of this nature are considered by the Board.

The directors (with Benjamin Chow abstaining) recommend you vote in favour of this resolution.

Resolution 4 – Election of Aliza Knox

Aliza Knox, 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 herself for 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 broad international marketing and management experience. Appointed in 2007 as Managing Director of the Online Sales Group for Google Asia Pacific, she is now 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 with global payments technology company Visa International, with responsibility for commercial solutions and global product platforms, Senior Vice President with investing services and solutions provider Charles Schwab & Company, with responsibility for international wireless and Asian expansion, and Partner in Boston Consulting Group as head of its Asian Financial Services Practice.

She is a board member of a workforce development NGO in USA and an advisor to several organisations and a government committee in Singapore.

Aliza holds a Bachelor of Arts (Applied Math and Economics) from Brown University (USA) and Masters of Business Administration (Marketing) from New York University Graduate School of Administration (USA).

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

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

Resolution 5 – Election of Richard Davis

Richard Davis, 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.

Richard Davis was appointed a non-executive director of InvoCare Limited on 21 February 2012.

Richard previously retired as InvoCare's Chief Executive Officer and Managing Director on 31 December 2008 after 20 years with InvoCare. For the majority of that time, he held the position of Chief Executive Officer and successfully initiated and managed the growth of the business through a number of ownership changes and over 20 acquisitions, including Singapore Casket, the Company's first international acquisition.

Richard has been a non-executive director of Australian Vintage Ltd since 5 May 2009 and is also Chairman of the Audit Committee of that company. Prior to joining the funeral industry, Richard worked in venture capital and as an accounting partner of Bird Cameron. Richard holds a Bachelor of Economics from the University of Sydney.

Richard's extensive knowledge of the industry combined his general business skills are particularly useful to the Board in their deliberations.

The directors (with Richard Davis abstaining) recommend you vote in favour of this resolution.

Resolution 6 – Increase in directors' fee pool

At the 2009 Annual General Meeting held on 21 May 2010, shareholders approved a maximum aggregate non-executive directors' fee cap of \$650,000 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 the non-executive directors' fee cap from \$650,000 to \$1,000,000, with effect 1 January 2012. 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:

- a) in line with the growth of the Company, two additional Non-executive Directors, Aliza Knox and Richard Davis, have been appointed who bring marketing, digital media, and funeral industry experience to the Board;
- b) the increase will permit additional directors to be appointed if the needs of the Company warrant additional skills on the Board;
- c) 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 responsibilities under the Corporations Act;
- d) to respond to market rate increases for Directors; and
- e) to continue to develop and grow the Company and the shareholder value.

Explanatory statements continued

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 6, by any Director of the Company, being Ian Ferrier, Andrew Smith, Christine Clifton, Roger Penman, Richard Fisher, Benjamin Chow, Aliza Knox and Richard Davis or an associate of any of the Directors.

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

- a) 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
- b) 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 6 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 6, 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.

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.

Resolution 7 – Financial assistance

This explanatory statement is given to the shareholders of the Company for the purpose of section 260B(4) of the *Corporations Act 2001* (Cth) (the “**Act**”) in connection with the resolution under s260B(3) of the Act.

Summary

In June 2011, a subsidiary of the Company, InvoCare Australia Pty Limited, purchased Bledisloe Group Holdings Pty Ltd and its subsidiaries, in part using funds provided under financial facilities available to the Company and its subsidiaries (the “**Group**”). A condition of those facilities is that certain new subsidiaries of the Company must accede to and become subject to those facilities. This would technically expose those new subsidiaries to the financial indebtedness of the entire Group. The assumption of this exposure and InvoCare drawing on the financial facilities to acquire those new subsidiaries together

mean that those new subsidiaries are giving financial assistance to the purchase of their shares. The approval being sought is a requirement of the Corporations Act that approval of the ultimate holding company be given to the financial assistance. More detail is provided below.

1. The Acquisition

Pursuant to an agreement entitled “Facility agreement” dated 22 September 2010, as amended and restated on 31 May 2011 between, amongst others, the Company and Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (“**ANZ**”), (the “**ANZ Facility Agreement**”), an agreement entitled “Facility agreement” dated 22 September 2010, as amended and restated on 31 May 2011, between, amongst others, the Company and National Australia Bank Limited ABN 12 004 044 937 (“**NAB**”), (the “**NAB Facility Agreement**”), an agreement entitled “Facility agreement” dated 22 September 2010, as amended and restated on 31 May 2011, between, amongst others, the Company and the Commonwealth Bank of Australia ABN 48 123 123 124 (“**CBA**”), (the “**CBA Facility Agreement**”) financial accommodation, in the form of revolving loan facilities, have been made available to the Company on certain terms. Pursuant to the agreement entitled “Working capital facility agreement” dated 2 August 2011, between, amongst others, the Company and ANZ (“**Working Capital Facility Agreement**”), certain working capital facilities and transactional banking facilities, under which financial accommodation of up to a maximum amount of \$20,000,000 will be made available to the Company and its subsidiaries.

Together, the ANZ Facility Agreement, the NAB Facility Agreement, the CBA Facility Agreement and the Working Capital Facility Agreement comprise the “**Existing Debt Facilities**” and form the “**Finance Documents**”.

A wholly owned subsidiary of the Company, InvoCare Australia Pty Limited, acquired the issued ordinary shares of Bledone Pty Ltd on 15 June 2011 which in turn owned 100% of the issued ordinary shares of Bledilsoe Australia Pty Ltd (each a “**New Company**”) and used the funds provided under the Existing Debt Facilities to do so (the “**Acquisition**”). Following the completion of the Acquisition, the Company became the ultimate Australian holding company of each New Company.

2. Financially Assisting the Acquisition

Section 260A of the Act permits a company to financially assist a person to acquire shares (or units of shares) in the company or a holding company of the company only if:

- (a) giving the assistance does not materially prejudice:
 - (i) the interests of the company or its shareholders; or

- (ii) the company's ability to pay its creditors; or
- (b) the assistance is approved by shareholders under section 260B; or
- (c) the assistance is exempted under section 260C.

A company may be regarded as providing “assistance” if it furnishes something needed in order that a transaction be carried out or something in the nature of aid or help. Common examples of “financial assistance” include issuing a debenture, giving security over the company's assets and giving a guarantee or indemnity in respect of another person's liability.

3. Particulars of the Financial Assistance

In order to secure (and regulate) the obligations of the Company under the Existing Debt Facilities, the Company has agreed to procure that:

- (a) each New Company enters into a guarantor accession deed under which that New Company agrees to accede to:
 - (i) the ANZ Facility Agreement as a Guarantor (as defined in the ANZ Facility Agreement) and be bound by all obligations of a Guarantor under the ANZ Facility Agreement; and
 - (ii) the NAB Facility Agreement as a Guarantor (as defined in the NAB Facility Agreement) and be bound by all obligations of a Guarantor under the NAB Facility Agreement; and
 - (iii) the CBA Facility Agreement as a Guarantor (as defined in the CBA Facility Agreement) and be bound by all obligations of a Guarantor under the CBA Facility Agreement; and
- (b) each New Company enters into a borrower accession deed under which that New Company agrees to accede to the Working Capital Facility Agreement as a Borrower (as defined in the Working Capital Facility Agreement) and be bound by all obligations of a Borrower under the Working Capital Facility Agreement.

As part of the arrangement in relation to the Existing Debt Facilities, the Company is obliged to procure that each New Company becomes a party to the Finance Documents. As a consequence, in doing so each New Company would be, amongst other things:

- (c) granting an unconditional and irrevocable guarantee in favour of:
 - (i) ANZ in relation to the performance of certain obligations of the Company and its subsidiaries (including payment obligations) under the ANZ Facility Agreement and the Working Capital Facility Agreement from time to time;

- (ii) NAB in relation to the performance of certain obligations of the Company and its subsidiaries (including payment obligations) under the NAB Facility Agreement from time to time; and
 - (iii) CBA in relation to the performance of certain obligations of the Company and its subsidiaries (including payment obligations) under the CBA Facility Agreement from time to time;
- (d) granting an indemnity to:
- (i) ANZ against any liability or loss or cost incurred by ANZ under the ANZ Facility Agreement and the Working Capital Facility Agreement from time to time; and
 - (ii) NAB against any liability or loss or cost incurred by NAB under the NAB Facility Agreement from time to time; and
 - (iii) CBA against any liability or loss or cost incurred by CBA under the CBA Facility Agreement from time to time;
- (e) making various representations and warranties and undertakings to ANZ, NAB and CBA from time to time.

Entering into, and the performance of obligations under, the Finance Documents as contemplated by the proposed arrangements referred to in paragraph 3.2 above will constitute financial assistance by each New Company and, unless the giving of that financial assistance does not materially prejudice the interests of the New Company and its shareholders or that New Company's ability to pay its creditors, requires prior shareholder approval by the Company (as ultimate Australian holding company) and each shareholder of each New Company in accordance with sections 260B(1) and 260B(3) of the Act.

4. Reasons for the Financial Assistance

The reasons for the proposed financial assistance described in paragraph 3 and for seeking shareholder approval for the financial assistance include:

- (a) that the finance that is provided under the Existing Debt Facilities enabled the Company to fund the acquisition of the shares in each New Company;
- (b) that each New Company will benefit from being a subsidiary of the Company;
- (c) that each New Company will have the ability to obtain financial accommodation under the Working Capital Facility Agreement; and
- (d) if the proposed resolution is not approved, each New Company may not act as guarantors of the Existing Debt Facilities which may prejudice the Company's ability to achieve the best possible terms and conditions (including pricing) in future financings of the Company.

5. Effects of Financial Assistance

The directors of the Company do not currently have any reason to believe that there is or would likely be any default of any obligations in connection with the Finance Documents.

If, however:

- (a) ANZ becomes entitled to enforce any of its rights under the ANZ Facility Agreement or Working Capital Facility Agreement due to a default, such enforcement may materially prejudice the interest of the New Companies or their shareholders. On enforcement, among other rights, ANZ may become entitled to claim against the New Companies for amounts due under the ANZ Facility Agreement or Working Capital Facility Agreement under the guarantee and indemnity provided to ANZ. ANZ may also become entitled to seek the winding up of a New Company. Any winding up may result in a return to the New Company (and ultimately its shareholders) which is significantly lower than could have been achieved by the New Company;
- (b) NAB becomes entitled to enforce any of its rights under the NAB Facility Agreement due to a default, such enforcement may materially prejudice the interest of the New Companies or their shareholders. On enforcement, among other rights, NAB may become entitled to claim against the New Companies for amounts due under the NAB Facility Agreement under the guarantee and indemnity provided to NAB. NAB may also become entitled to seek the winding up of a New Company.

Any winding up may result in a return to the New Company (and ultimately its shareholders) which is significantly lower than could have been achieved by the New Company;

- (c) CBA becomes entitled to enforce any of its rights under the CBA Facility Agreement due to a default, such enforcement may materially prejudice the interest of the New Companies or their shareholders. On enforcement, among other rights, CBA may become entitled to claim against the New Companies for amounts due under the CBA Facility Agreement under the guarantee and indemnity provided to CBA. CBA may also become entitled to seek the winding up of a New Company. Any winding up may result in a return to the New Company (and ultimately its shareholders) which is significantly lower than could have been achieved by the New Company;

On a default under the following agreements, the recourse available to ANZ, NAB and CBA respectively, includes the following:

- (d) each New Company would become liable to ANZ under the guarantee and indemnity for a principal amount of up to the then facility limit under the ANZ Facility Agreement or Working Capital Facility Agreement. The proposed guarantee and indemnity could be enforced against the New Company without the need for ANZ to take enforcement action against any other guarantor or security provider;
- (e) each New Company would become liable to NAB under the guarantee and indemnity for a principal amount of up to the then facility limit under the NAB Facility Agreement. The proposed guarantee and indemnity could be enforced against the New Company without the need for NAB to take enforcement action against any other guarantor or security provider; and
- (f) each New Company would become liable to CBA under the guarantee and indemnity for a principal amount of up to the then facility limit under the CBA Facility Agreement. The proposed guarantee and indemnity could be enforced against the New Company without the need for CBA to take enforcement action against any other guarantor or security provider.

Although the directors believe that there are benefits accruing to the New Companies in becoming subsidiaries of the Company and through entering into the Finance Documents in being effectively controlled by a single person following the acquisition, there is a possibility that these factors may materially prejudice the interests of each New Company and its shareholders and its ability to pay its creditors.

6. Recommendation of directors

The directors recommend that shareholders vote in favour of the resolution for the reasons noted in paragraph 4.

7. Shareholder Approval

Section 260B(3) of the Act provides that shareholder approval of the ultimate holding company of the New Companies (in this case being InvoCare Limited) to the giving of the financial assistance by each New Company is required. This shareholder approval may be given by a special resolution, at a general meeting, of all ordinary shareholders of the ultimate holding company. The shareholder of each New Company, InvoCare Australia Pty Limited, has already given approval to the giving of financial assistance by each New Company as required under section 260B(1) of the Act.

8. Prior Notice to ASIC

As required by section 260B(5) of the Act, copies of the proposed resolution and this explanatory statement (being the only document relating to the financial assistance that will accompany the proposed resolution) were lodged with the Australian Securities and Investments Commission prior to their dispatch to the shareholders.

9. Disclosure

The directors consider that this statement contains all material information known to the Company that could reasonably be required by the shareholders in deciding how to vote on the proposed resolution set out in the notice of meeting, other than information it would be unreasonable to require the Company to disclose because the Company has previously disclosed the information to its shareholders.

10. Definitions

Unless otherwise defined, capitalised terms used in this explanatory statement have the meaning given to them in the Finance Documents (as applicable).

Other business

To transact any other business which may be lawfully brought forward in accordance with the Constitution and the *Corporations Act 2001*.

By order of the Board
Phillip Friery,
Company Secretary
5 April 2012

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 9 May 2012 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 2001*. 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 9 May 2012 at 10.00am (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, 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) 9978 5299.
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 how 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 9 May 2012.