



Notice of **2022**  
Annual General Meeting



Friday, 26 May 2023  
10.30 am (AEST)



Notice is given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of InvoCare Limited (**Company**) will be held:

Date	Friday, 26 May 2023
Time	10.30 am (AEST)
Registration	From 9.30 am (AEST)
Venue	The Mint, 10 Macquarie Street Sydney, New South Wales
Online	<a href="http://www.meetings.linkgroup.com/IVCAGM22">www.meetings.linkgroup.com/IVCAGM22</a>

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The Explanatory Notes accompanying this Notice of Meeting provide additional information on matters to be considered at the AGM. The Explanatory Notes, Voting Information and Proxy Form comprise part of this Notice of Meeting.





# How to attend

You can attend the AGM in person or online.

Whether you intend to attend the AGM in person or through the online platform, or if you are unable to attend the AGM at all, you may also:

- o Lodge questions online before the AGM at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)
- o Vote on the resolutions to be considered at the AGM by completing and lodging your Proxy Form in accordance with the instructions set out in the Notice of Meeting

## In person

The AGM will be held at The Mint, which is located at 10 Macquarie Street, Sydney, New South Wales.

### Parking

There is no public parking at The Mint, however, the Domain Car Park offers a special early-bird rate and is a ten-minute walk from The Mint. Enter from St Mary's Road.

### Public transport

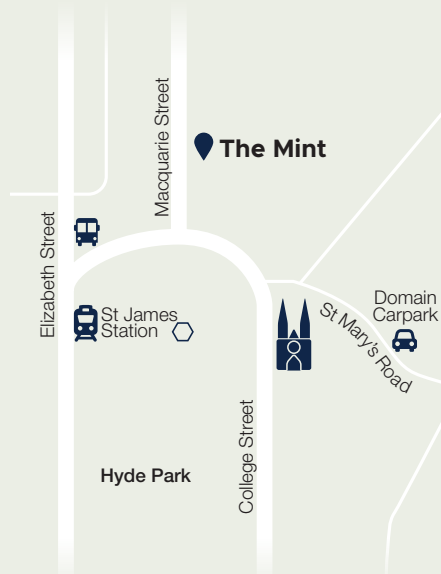
The Mint is located at the southern (Hyde Park) end of Macquarie Street, next to the Hyde Park Barracks Museum.

**Train** The Mint is a 5-minute walk from St James station (City Circle line) or a 10-minute walk from Martin Place station (Eastern Suburbs line).

**Bus** The nearest bus stops are on Elizabeth Street at Hyde Park, which is a 5-minute walk away.

If you are attending the AGM in person, please bring your Proxy Form to assist with registration on the day. Your Proxy Form was enclosed with the letter dated the same date as this Notice of Meeting, advising you of the AGM's time and date, and how to access the Notice of Meeting via the Company's website.

Further details of how to participate in the AGM via the online platform and how to ask questions are set out in the attached Notice of Meeting and in the Virtual Meeting Online Guide that can be accessed from the Company's website [www.invocare.com.au/investor-relations/annual-general-meeting](http://www.invocare.com.au/investor-relations/annual-general-meeting)



## Online

You can also attend the AGM online at [www.meetings.linkgroup.com/IVCAGM22](http://www.meetings.linkgroup.com/IVCAGM22)



We recommend logging onto our online platform at least 15 minutes prior to the scheduled start time for the Meeting using the instructions below:

- o Enter [www.meetings.linkgroup.com/IVCAGM22](http://www.meetings.linkgroup.com/IVCAGM22) into a web browser (on a mobile or other device) or scan the QR code above
- o Enter your unique access details:
  - o Securityholders will need their Securityholder Reference Number (SRN) or Holder Identification Number, which is printed at the top of the Proxy Form
  - o Proxyholders will need their proxy code which Link Market Services will provide via email no later than 48 hours prior to the Meeting

More information about online participation and voting in the Meeting is available in the Online Platform Guide at [www.invocare.com.au/investor-relations/annual-general-meeting](http://www.invocare.com.au/investor-relations/annual-general-meeting)



# Chairman's message



Dear fellow Shareholder,

On behalf of the Directors of InvoCare Limited (InvoCare), I am pleased to invite you to the 2022 Annual General Meeting (AGM) of InvoCare. The AGM will be held on Friday 26 May 2023 at 10.30am (AEST).

We are again offering shareholders the opportunity to attend our AGM either in person or via the share registry, Link Market Services Limited virtual meeting online platform.

The Notice of Meeting sets out the business to be considered at the AGM. The Notice of Meeting has been released to the ASX and can also be accessed from our website at: [www.invocare.com.au/investor-relations/annual-general-meeting](http://www.invocare.com.au/investor-relations/annual-general-meeting)

## Format of AGM

The AGM will be formally convened at The Mint, 10 Macquarie Street, Sydney, New South Wales. For those shareholders who prefer to participate through the online platform they may do so by joining the AGM at: [www.meetings.linkgroup.com/IVCAGM22](http://www.meetings.linkgroup.com/IVCAGM22)

Shareholders participating through the online platform will be able to ask questions of the Board and our external auditor in real time during the AGM via the online platform and vote on the resolutions to be considered at the AGM by direct voting during the meeting. Further details of how to participate in the meeting via the online platform are set out in the Notice of Meeting and in the Online Meeting Guide that can be found on our website at:

[www.invocare.com.au/investor-relations/annual-general-meeting](http://www.invocare.com.au/investor-relations/annual-general-meeting)

## Voting and asking questions

Whether you attend the AGM in person, through the online platform, or if you are unable to attend the AGM at all, you may submit questions before the Meeting, to me (as the Chair) and/or to our external auditor, Deloitte. To do so, please log on to Link Market Services investor centre website: [www.investorcentre.linkgroup.com/Login/Login](http://www.investorcentre.linkgroup.com/Login/Login). You will need your SRN/HIN No. and postcode to log into your holding. Once logged in, select Voting then click Ask a Question. Please note that questions must be submitted by 5.00 pm Friday 19 May 2023.

You may vote on the resolutions to be considered at the meeting by completing and lodging a Proxy Form, or by voting online in accordance with the instructions on the Proxy Form. Your personalised Proxy Form is enclosed with this letter, along with a reply-paid envelope.



**Our focus remains on ensuring InvoCare is a successful, sustainable, long term business**



## 2022 financial results

In 2022, InvoCare continued to build on its market leading position in Australia, New Zealand and Singapore. Our ongoing investments in our people, facilities, systems and digital capabilities, as well as our health and safety and operating standards have delivered a stronger, more resilient, and more customer focused organisation.

InvoCare is now two years into its reset strategy, and I am proud of the team's achievements in the face of continued operational challenges faced by the industry. Customer satisfaction, measured by NPS, has grown, employee engagement has improved, injuries to our people have nearly halved, and we have maintained our strategic momentum whilst also delivering solid earnings growth and return on capital employed. We attribute this to the quality of our teams and the advantages that our breadth of brands, market positions and diversity of operations brings.

Many more client families needed us this year compared to the years before, with some very strong peaks in demand at specific times of the year. This has contributed to our businesses servicing a record number of funeral client families; double digit growth in burial and cremations volumes in our memorial parks; and just under 100,000 pet cremations were performed. As a result, operating revenue increased 12% to \$588.5 million for the year and we delivered continued growth in operating earnings, with Operating Earnings Before Interest and Tax (EBIT) for the year up 9% to \$84.6 million.

Continuing strategic momentum and strong recovery in key fundamentals have delivered growth in Group Operating Earnings Per Share, up 11% to 35.1 cents. This strong growth in earnings has enabled the Board to determine a final fully franked dividend of 11 cents per share, which brings the full year dividend to 24.5 cents per share, an increase of 17% in our distributions to shareholders year on year.

InvoCare is a strong and growing business, and we are confident that the investments made to date are setting the business up to take advantage of the return to normal operating conditions. With a growing and ageing population in all our markets, strategic assets as well as our exposure to the entire customer journey from pre-need, to at-need and beyond, the Board and I are positive about the long-term fundamentals of our business and are confident that the Group is well placed to deliver near and long-term shareholder value.

We look forward to your participation at the AGM and thank you for your support in the future growth and success of InvoCare.

Yours sincerely

**Bart Vogel**  
Chairman



## Item A Chairman and Managing Director Presentations

## Item B Discussion of Financial Statements and Reports

To discuss the financial report of the Company and the reports of the Directors and the Auditor for the financial year ended 31 December 2022.

## Item C Adoption of Remuneration Report

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

**Resolution 1 “That the Remuneration Report (which forms part of the Directors’ Report) for the year ended 31 December 2022 be adopted.”**

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

### Voting Exclusion Statement for Resolution 1

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 (KMP) of the Company, details of whose remuneration are included in the Remuneration Report, or a closely related party of such a person.

However, such a person (or closely related party) described above may cast a vote on Resolution 1 if:

- a** The person does so as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1
- b** The person is the Chairman of the Meeting and the appointment of the Chairman as proxy:
  - i** Does not specify the way the proxy is to vote on the resolution
  - ii** 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

“Key Management Personnel” and “closely related party” have the same meanings as set out in the Corporations Act.

## Item D Election of Directors

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

**Resolution 2 “That Bart Vogel, who retires by rotation in accordance with the Company’s Constitution, be re-elected as a director of the Company.”**

**Resolution 3 “That Kim Anderson, who retires by rotation in accordance with the Company’s Constitution, be re-elected as a director of the Company.”**

## Item E Approval of Security Grants to Olivier Chretien

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

**Resolution 4 “That approval be given, for the purposes of Rule 10.14 of the ASX Listing Rules, and for all other purposes, for the Company to grant to Mr Olivier Chretien, currently the Chief Executive Officer and Managing Director of the Company (Mr Chretien), Performance Rights to a value of \$981,750 for the 2023 financial year in accordance with the rules of the Long Term Incentive Scheme and as set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.”**

### Voting Exclusion Statement for Resolution 4

The Company will disregard any votes cast in favour of this resolution by or on behalf of any person referred to in Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Performance Long Term Incentive Plan, or any associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- a** A person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way
- b** The Chairman of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides



# Items of business

## continued

- c** A holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - i** The beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution
  - ii** The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way

Further, a vote on this Resolution 4 must not be, and the Company will disregard any vote that is, cast (in any capacity) by or on behalf of either of the following persons:

- a** A member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report
- b** A Closely Related Party of such a member

However, a person (the voter) described above may cast a vote on this Resolution 4 as a proxy if the vote is not cast on behalf of a person described above and either:

- c** The voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution 4
- d** The voter is the chairperson of the meeting and the appointment of the chairperson of the meeting as proxy:
  - i** Does not specify the way the proxy is to vote on this Resolution 4
  - ii** Expressly authorises the chairperson of the meeting to exercise the proxy even if this Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel

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 Meeting under a power of attorney.

### Item F Other business

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

The attached Explanatory Memorandum is incorporated into and forms part of this Notice. Detailed explanation of the background and reasons for the proposed resolutions are set out in the Explanatory Memorandum.

By order of the Board

**Heidi Aldred**  
Company Secretary  
24 April 2023





# Voting information

## Entitlement to vote

The Directors have determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that persons who are registered holders of shares of the Company as at 7:00pm (AEST) on 24 May 2023 will be entitled to vote at the AGM as a shareholder. Share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

## All resolutions will be by poll

In accordance with clauses 8.9 and 8.14 of the Company's Constitution, the Chairman intends to demand a poll on each of the resolutions proposed at the AGM. Each resolution considered at the AGM will therefore be conducted by a poll, rather than on a show of hands. The Chairman considers voting by poll to be in the interests of the shareholders as a whole and is a way to ensure the views of as many shareholders as possible are represented at the meeting.

## How to vote

Shareholders may vote by:

- a Attending the meeting** and voting either in person or by attorney or, in the case of corporate shareholders, by corporate representative
- 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 their attendance noted. It would also be appreciated if shareholders could bring with them their proxy form which contains a barcode 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

A member who is entitled to vote at the meeting may appoint:

- a** One proxy if the member is only entitled to one vote
- b** Two proxies if the member is entitled to more than one vote

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 disregarded. A proxy need not be a member of the Company.

If you require an additional proxy form, please contact the InvoCare Share Registry on 1300 854 911, which will be supplied on request.

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, 24 May 2023 at 10.30am (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
- b Posting** it to InvoCare Limited C/- Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235
- c Hand delivering** it to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138 **or** Level 12, 680 George Street, Sydney NSW 2000
- d Faxing** it to Link Market Services Limited on fax number (02) 9287 0309
- e** Lodging it **online** at [www.linkmarketservices.com.au](http://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
- f Posting** it to InvoCare's registered office, Level 5, 40 Mount Street, North Sydney NSW 2060
- g Faxing** it to InvoCare's registered office on fax number (02) 9978 5298

Proxies given by corporate shareholders must be executed in accordance with their Constitutions or signed by a duly authorised attorney.

A proxy may decide whether to vote on any 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.

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.

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.



# Explanatory notes

These Explanatory Notes have been prepared for the information of shareholders of the Company in relation to the business to be conducted at the Company's AGM to be held on Friday, 26 May 2023.

The purpose of these Explanatory Notes is to provide shareholders with information that is reasonably required by shareholders to decide how to vote upon the resolutions.

Subject to the abstentions noted below in respect of each resolution, the directors unanimously recommend shareholders vote in favour of all Resolutions. The Chairman of the Meeting intends to vote all available undirected proxies in favour of each resolution.

Resolutions 2, 3 and 4 are ordinary resolutions, which require a simple majority of votes cast by shareholders present and entitled to vote on the resolution. Resolution 1, relating to the Remuneration Report, is advisory and does not bind the directors or the Company.

## Item A Chairman and Managing Director Presentations

The Chairman and the Managing Director will each give a presentation.

## Item B Discussion of Financial Statements and Reports

The 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.

The Chairman will also give Shareholders a reasonable opportunity to ask the Auditor questions relevant to:

- o The conduct of the audit
- o The preparation and content of the Independent Auditor's Report
- o The accounting policies adopted by the Company in relation to the preparation of the financial statements
- o The independence of the Auditor in relation to the conduct of the audit

## Item C 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 46 to 64 inclusive of the InvoCare FY22 Annual Report and is available on the Company's website at [www.invocare.com.au](http://www.invocare.com.au)

The vote on this resolution is advisory only and does not bind the directors or the Company. However, the Board will take the outcome of the vote into account in setting remuneration policy for future years.

Shareholders will be given a reasonable opportunity at the meeting to ask questions and make comments on the Remuneration Report.

### Recommendation

Noting that each Director has a personal interest in their own remuneration from the Company, as described in the Remuneration Report, the Board unanimously recommends that shareholders vote in favour of adopting the Remuneration Report.





# Explanatory notes

## continued

### Item D Election of Directors

#### Resolution 2 Re-election of Bart Vogel



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

##### Qualifications of Bart Vogel BCom (Hons), FCA, FAICD

Bart Vogel was appointed to the InvoCare board of directors on 1 October 2017, and as Chairman of the Board from 1 October 2018.

Bart serves on the People, Culture & Remuneration Committee and Nomination Committee.

Bart's career includes 20 years in the management consulting industry, as a partner with Deloitte Consulting, A.T. Kearney and Bain & Company, focused on the technology and services sectors. In his consulting roles, Bart has spent extensive time working in global markets with multinational corporates and government bodies. He also spent 13 years in senior executive roles at Asurion Australia, Spherion Limited and as the Asia Pacific leader of Lucent Technologies.

Bart is a director of listed companies Infomedia Ltd (ASX:IFM), where he serves as Chairman, and Macquarie Telecom Limited (ASX:MAQ). He is also a director of BAI Communications and of the Children's Cancer Institute Australia.

Bart holds a Bachelor of Commerce (Honours) from the University of Witwatersrand, South Africa and is a fellow of both the Institute of Chartered Accountants, Australia and New Zealand and the Australian Institute of Company Directors.

##### Independent director

The Board considers Bart Vogel to be an independent director.

##### Recommendation

The Board benefits from Bart Vogel's experience as a director and Chair of listed and private companies as well as his previous CEO and leadership roles in the technology and professional services sectors.

The directors (with Bart Vogel abstaining) recommend the shareholders vote in favour of Resolution 2.

##### Undirected proxies held by the Chairman

The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution 2.

#### Resolution 3 Re-election of Kim Anderson

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



##### Qualifications of Kim Anderson

Kim Anderson was appointed to the Board on 11 May 2021. Ms Anderson assumed the role as Chair of the Remuneration, People & Culture Committee from the same date.

Kim is an experienced ASX listed company director. She has more than 30 years' of experience as a CEO and senior executive in a range of companies including Southern Star Entertainment, PBL and Ninemsn. She has extensive digital business experience, in an executive capacity establishing a start-up, Reading Room Inc (bookstr.com). She currently serves as a Non-Executive Director of Carsales (ASX:CAR), Infomedia Limited (ASX:IFM), SiteMinder Limited (ASX:SDR) and the Sax Institute, a national leader in promoting the use of research evidence in health policy. She was formerly a Non-Executive Director of WPP AUNZ (ASX: WPP) until the completion of its takeover by WPP PLC in April 2021, as well as Marley Spoon (ASX: MMM).

##### Independent director

The Board considers Kim Anderson to be an independent director.

##### Recommendation

The Board will benefit from Kim Anderson's extensive digital knowledge and experience in people orientated businesses which will support the Company as it continues to the next stage of driving long term, sustainable growth and enhancing one of its core strengths; its highly committed and empathic work force.

The directors (with Kim Anderson abstaining) recommend the shareholders vote in favour of Resolution 3.

##### Undirected proxies held by the Chairman

The Chairman of the Meeting intends to vote undirected proxies in favour of this Resolution 3.



# Explanatory notes

## continued

### Item E Approval of Security Grants to Olivier Chretien

#### Resolution 4 Approval of the grant of securities to Olivier Chretien for FY2023

Mr Chretien's FY2023 grant of Performance Rights under the Company's Long Term Incentive Scheme under the Company's Equity Incentive Plan (Plan) is subject to InvoCare meeting performance conditions that have been determined by the Board and are designed to align Mr Chretien's interests with those of shareholders.

Mr Chretien's 2023 total remuneration opportunity is \$3,003,000 (or \$3,927,000 Total maximum) comprising:

- o Total fixed remuneration (TFR) consisting of annual base salary and superannuation of \$1,155,000
- o Short-term incentive (STI) of up to \$866,250, being 75% of TFR (or \$1,299,375 total maximum, being 112.5% of TFR)
- o Long term incentive (LTI) award to the value of \$981,750, being 85% of TFR (or \$1,472,625 total maximum, being 127.5% of TFR)

#### Reason for seeking shareholder approval

The Company is seeking shareholder approval for the proposed grant of Performance Rights (as detailed following) under the Plan for the purposes of ASX Listing Rule 10.14 which requires shareholder approval for the issue of securities to a director under an employee incentive scheme.

If shareholder approval is obtained, the Performance Rights will be granted to Mr Chretien shortly after the AGM, and in any event no later than three years after the AGM. If shareholder approval is not obtained, the Board will consider alternative arrangements to appropriately remunerate and incentivise Mr Chretien. It is proposed that the Company will acquire the securities to be issued under the Plan on-market (or by transferring securities previously acquired on-market and held in the trust established for the purposes of the Plan), or by recycling previously forfeited grants.

#### Key features of the FY2023 LTI grant

The proposed grant to Mr Chretien to which Resolution 4 relates is 88,286 Performance Rights. These Performance Rights represents the LTI component of Mr Chretien's total remuneration opportunity. Details of the proposed grant are set out below.

##### a Amount of grant

In accordance with Mr Chretien's service agreement and the remuneration package approved by the Board for the FY2023 financial year, Mr Chretien is entitled to the grant of Performance Rights under the Plan equal to 85% (being \$981,750) of his TFR (LTI Entitlement). No consideration will be payable by Mr Chretien for the grant of Performance Rights. 50% of the allocation is based on the achievement of ROCE performance hurdles, and the remaining 50% is based on the achievement of EPS performance hurdles.

##### b Number of Performance Rights

The number of Performance Rights to be issued to which Resolution 4 relates will be determined by dividing the LTI Entitlement by the value of a Performance Right.

The value of a Performance Right in these circumstances is \$11.12, determined by the volume weighted average price (VWAP) of InvoCare securities traded in the 10 trading days of the trading window immediately preceding the end of the FY2022 financial year.

Dividing the total LTI Entitlement (i.e. \$981,750) by the value of an individual Performance Right (i.e. \$11.12) will result in Mr Chretien receiving 88,286 Performance Rights if Resolution 4 is passed by the requisite majority.

##### c Timing of issue of Performance Rights

Mr Chretien's 88,286 Performance Rights will not be issued unless and until shareholder approval for their issue is obtained. In order to ensure his alignment with the grant of LTI Awards to other participants, the Performance Rights issued to him are valued and will vest as if they were issued at the same time (and with the same effective date of 1 January 2023) as the grant of LTI Awards to other participants in the Plan.

##### d Vesting performance hurdles

Vesting of each Performance Right is, subject to:

- o Mr Chretien's continuous employment with InvoCare until vesting date
- o Of the 50% allocation based on the achievement of the Return on Capital Employed (ROCE), 50% is attained on achieving a ROCE over the performance period of 11.5%, up to 100% on achieving 12.5% ROCE (and with the potential to attain up to 150% on achieving 13.5% ROCE)
- o Of the 50% allocation based on the achievement of Compound Average Growth Rate in Normalised Earnings Per Share (CAGR EPS), 50% is attained on achieving a CAGR EPS over the performance period of 7%, up to 100% on achieving 12% CAGR EPS (and with the potential to attain up to 150% on achieving 15% CAGR EPS)

Vesting attainment between the percentages above will be calculated on a straight-line basis. The performance period will be three years from 1 January 2023 until 31 December 2025. Vesting of Performance Rights is tested at the end of the performance period.

Any unvested Performance Rights will lapse and be forfeited.



# Explanatory notes

## continued

### e Vesting of Performance Rights

Upon vesting of Performance Rights, subject to the requirements of the InvoCare Securities Trading Policy, the Company will notify Mr Chretien of the vesting date and, subject to the following, Mr Chretien will be allocated one InvoCare share for each Performance Right.

If ROCE and/or CAGR EPS exceed the thresholds described above to attain 100%, Mr Chretien's right to receive more than 88,286 Shares under these arrangements will be subject to a separate shareholder approval if required by the ASX Listing Rules (and in any event would not exceed 132,429 Shares if both the ROCE and CAGR EPS thresholds described above attained 150% achievement).

There is no exercise price of Performance Rights to be paid by Mr Chretien when shares are allocated to Mr Chretien upon vesting of Performance Rights.

The Board, in its absolute discretion, may choose to settle the exercise of any Performance Right with cash of equivalent intrinsic value at the date of exercise. The cash equivalent intrinsic value will be based on the VWAP, calculated by reference to a period determined by the Board prior to the date on which the shares would have otherwise been allocated to Mr Chretien. Under the Plan, the Board may also waive, amend or replace a vesting condition in particular if the original condition is no longer appropriate or applicable and provided that Mr Chretien's interests are not, in the Board's opinion, materially prejudiced or advantaged.

### f Restrictions on share trading

Any shares allocated following satisfaction of the performance hurdles will not be subject to any trading restrictions other than those imposed by InvoCare's Securities Trading Policy which stipulates the conditions relating to and the periods allowed for buying or selling of IVC Shares.

### g Cessation of employment

The cessation of Mr. Chretien's employment with the Company may affect his unvested Performance Rights.

Provided that Mr Chretien is a 'good leaver' (as defined under the Plan) then a proportion of unvested LTI Awards will continue on foot and vest subject to the original terms and performance conditions attaching to the Performance Rights (regardless of whether or not he is employed by the Company at the relevant time). The proportion of unvested LTI Awards that will remain on foot is calculated by dividing the number of calendar days up to and including the date on which Mr Chretien ceases employment by the total number of calendar days in the relevant performance period (expressed as a percentage), multiplied by the number of unvested LTI Awards. The remaining unvested LTI Awards shall lapse on cessation of employment.

If Mr. Chretien is a 'bad leaver', all unvested LTI Awards will lapse on the date of cessation of employment, unless otherwise resolved by the Board.

Mr Chretien would be a 'good leaver' in circumstances where Mr Chretien ceases employment due to resignation, redundancy, bona fide retirement, permanent incapacity or death, or where the Board otherwise resolves that Mr. Chretien is a good leaver. Mr. Chretien would be a 'bad leaver' in circumstances where Mr Chretien ceases employment in circumstances involving (amongst other behaviour) wilful or deliberate behaviour that is inconsistent with the continuation of employment by the Company, theft, dishonest conduct or fraud, being indicted for a criminal offence, wilful disobedience of a lawful and reasonable direction given by a representative of the Company, serious breach of applicable Group codes of conduct and workplace policies and processes including the confidentiality and intellectual property provisions contained in Mr Chretien's terms of employment, any other matter that the Company (or Group Company) believes is consistent with the meaning of "serious misconduct" in the *Fair Work Act 2009* (Cth) and the *Fair Work Regulations 2009* (Cth), or failure to comply with applicable restraints within Mr Chretien's employment agreement.





# Explanatory notes

## continued

### Other information required under ASX Listing Rules

The following further information is provided in accordance with ASX Listing Rule 10.15 in respect of the Performance Rights the subject of Resolution 4:

- o Mr Chretien is a director of the Company and as such falls within ASX Listing Rule 10.14.1
- o The Company has recently adopted a new Plan. As such, there have been no other securities issued to Mr Chretien under the Plan. However, under the previous employee incentive plan in place, following approval at the Company's AGM held on 28 May 2021 and 20 May 2022, Mr. Chretien received 63,777 Performance Rights at a value of \$11.25 per Performance Right and 63,741 Performance Rights at a value of \$12.08 per Performance Right. These Performance Rights were issued for no consideration
- o Key Terms of the Plan and Performance Rights:
  - o There is no price payable on the grant (or exercise) of the Performance Rights
  - o Performance Rights are not transferable, will not be quoted on the ASX, carry no voting rights or right to participate in bonus or entitlement issues
  - o Performance Rights are entitled to dividends, as determined by the InvoCare Board, during the performance period. Any dividend entitlement accrued during the performance period will only crystallise on the date of vesting of the Performance Rights. Unless otherwise determined by the Board, dividend rights shall be satisfied by an allocation of InvoCare shares (calculated by dividing the value of the dividends by the VWAP calculated over the period determined by the Board)
  - o Unvested Performance Rights do not confer any right to a return of capital or to participate in surplus profit or assets
  - o Shares issued or transferred on exercise of the Performance Rights will rank equally with Shares on issue
  - o Where a change of control event occurs, the Board may, at its discretion, determine that all or a specified number of a Participant's Unvested Awards are deemed to have Vested, all or a specified number of a Participant's Options may be exercised for a period specified by the Board, and if not exercised within that period, will lapse, and that any dealing restrictions cease to apply
  - o Please refer to paragraphs a. through g. above under the heading "Key features of the FY2023 LTI grant" for other key terms of the Performance Rights to be granted to Mr Chretien
- o No loan will be provided to Mr Chretien in respect to the grant of the Performance Rights
- o The Company is issuing the Performance Rights as a form of equity security as it is a cost effective, non-cash incentive which closely links rewards with performance. Please refer to paragraph b. above under the heading "Key features of the 2023 LTI grant" for details of how the number of Performance Rights to be issued has been calculated
- o Accounting value attributed to Performance Rights: The fair value Performance Rights at grant date is estimated using the Black-Scholes Pricing model. The model takes into account the exercise price, time to maturity, the Share price at grant date and expected price volatility of the underlying Share, the expected dividend yield, the risk-free interest rate for the term of the right
- o The details of any securities issued under the Plan will be published in each annual report of the Company relating to a period in which securities have been issued, and a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14

Any additional persons covered by Listing Rule 10.14 who become entitled to participate in the Plan after the Resolution was approved and who were not named in this Notice of Annual General Meeting will not participate until approval is obtained under ASX Listing Rule 10.14

- o A voting exclusion statement is included in the Notice of Annual General Meeting

### Recommendation

Mr Chretien declares his personal interest in the grant of Performance Rights under the Plan.

The directors (with Mr Chretien abstaining) recommend that the shareholders vote in favour of this Resolution 4.



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