

Risk Management Charter

1. Established by the Board

The Risk Committee is established by the Board of InvoCare Limited to ensure that InvoCare Limited and its subsidiaries (the “Group”) have established a sound system of risk management. This Committee is primarily responsible for operational and other non-financial risks. (The Audit Committee is responsible for financial and information technology risks. The risk management of major projects (eg acquisitions) is overseen directly by the Board)

2. Purpose of the Committee

The Committee is established to monitor and review on behalf of the Board the system of risk management which the Group has established. This system should identify, assess, monitor and manage operational and compliance risks.

The Risk Committee determines the Group’s “risk profile” and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.

The Committee will report to the Board on this system of risk management and make appropriate recommendations to ensure the adequacy of the system.

Although it is not possible to provide absolute assurance that all corporate risks will be fully avoided or even mitigated, the Committee should aim to minimise any adverse impact on the Group that may result from the occurrence of an identifiable corporate risk.

3. Composition of the Risk Committee

The Committee will consist of at least three members, with at least two members being independent non-executive directors. The Chairman must be an independent director and not be the Chairman of the Board. Committee membership will be reviewed at least annually. A quorum shall be any two members.

The Committee may invite attendance from any staff of the company and seek external advice to assist in its duties. A standing invitation to attend Committee meetings is extended to the Chairman of the Board and the Chief Executive Officer (the “CEO”).

If a member or attendee has a conflict of interest in a matter this must be indicated at the commencement of the meeting. However, the Committee will have the discretion to allow the person to participate in the relevant item or not, according to the Group’s policy on conflicts of interest.

4. Meetings

Meetings will be held at least two times per year. The Committee must review and update its Charter and assess the Committee’s effectiveness annually, with a view to ensuring that its performance accords to as great an extent as is mandatory and otherwise practical, with the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations, as amended from time to time.

5. Duties and responsibilities of the Committee

In fulfilling its purpose outlined in section 2, the Committee should ensure that:

- it communicates any material changes to the Board as to the management of risk, the risk profile, and the associated internal controls of the Group;
- risks are identified and monitored through a systematic review of the organisation and its operations;
- a risk register is maintained which describes the risks, the likelihood of occurrence, mitigating strategies and consequential risk. These must be updated regularly and reviewed by the Committee every six months;
- adequate policies and procedures have been designed and implemented to manage risks identified;
- proper remedial action is undertaken to redress areas of weakness identified by the system of risk management and/or the Committee;
- a system of reporting and investigating incidences, breaches or excessive risks operates effectively;
- a regular program of audits is undertaken to test the adequacy of, and compliance with, policies adopted in relation to identifying corporate risks;
- when requested to do so by the Board or when the Committee considers appropriate, an investigation can be undertaken and reported to the Board on any risk-related matters;
- there is a system whereby the CEO and the Board are immediately notified of any information which might have a material effect on the price or value of the InvoCare's securities, and that such information is released to the ASX in accordance with the requirements of the Company's disclosure policy and the ASX Listing Rules;
- obtaining, each year, a statement from the CEO, Chief Financial Officer (the "CFO") and the Chief Operating Officer (the "COO") or any of their equivalents, to the Board that the company's risk management and internal compliance and control system is operating effectively in all material respects;
- the Charter is made publicly available on the website; and
- the annual report explains any departures by the Group from the Charter.

6. Specific risks to be managed by the Committee

Outlined below are some specific operational and compliance risks inter alia, which are the responsibility of the Committee.

The Committee is responsible for:

- promoting and supporting an organisational culture that is committed to risk management through open communication and effective risk management leadership;
- implementing a structured risk management training program to educate management and staff in the awareness of corporate risks and best practices in the management of corporate risks;

- reviewing the Group's main corporate governance practices as required under the ASX Listing Rules for completeness and accuracy;
- ensuring appropriate policies, procedures, controls and monitoring and reporting mechanisms have been adopted by the Group to prevent breaches of and ensure compliance with all relevant legislation and regulations, including but not limited to OH&S, Industrial Relations, Environmental, Trade Practices, Privacy, Public Health and Funeral Funds;
- ensuring there is adequate employee education and support to facilitate safety, security and good health in the workplace and monitoring of workplace safety;
- ensuring appropriate contingency plans are in place in the event of the loss of a key executive of the Group or any industrial disputation to minimise any disruption to the Group's operations, costs or reputation;
- ensuring that the Group operates in accordance with the terms of all licences and permits issued to it by any government body or any other authority;
- ensuring that the management of the Group pays due attention to ethical considerations in implementing the Group's policies and practices;
- adopting procedures and policies for the improvement and preservation of the reputation and brand value of all the businesses in the Group; and
- ensuring that the Group has effected appropriate insurance.