

Notice of Annual General Meeting

InvoCare Limited

ABN 42 096 437 393

Notice is hereby given that the Annual General Meeting of members of InvoCare Limited (InvoCare or the Company) will be held at The Westin Hotel, 1 Martin Place, Sydney, New South Wales on Friday 25 May 2007 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 2006.

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 2006 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 M T Chow, being a director of the Company appointed by the Board since the last Annual General Meeting, and who retires in accordance with the Company's Constitution, be re-elected as a director of the Company."

Special Business

Item 4 – Increase in directors' fee pool

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

Resolution 4

"That with effect from 1 January 2007, for the purpose of Article 9.9 of the Constitution, the non-executive directors' aggregate fee pool be increased to an amount not exceeding \$500,000 per annum."

Item 5 – Financial Assistance

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

Resolution 5

"That, in accordance with sections 260B(2) and 260B(3) of the Corporations Act 2001 (Cth), approval is given for any financial assistance by Liberty Funerals Pty Limited and D & J Drysdale Pty Ltd in becoming subject to various financial facilities and obligations of the Company and its subsidiaries as described in the Explanatory Statements which accompany this Notice of Annual General Meeting."

Explanatory Statements

Item 1 – Financial 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 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.

Item 2 – 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 43 to 53 inclusive of the 2006 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.

Item 3 – 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 2001. He was the founder of Ferrier Hodgson and now is a consultant to the firm. He is a Fellow of the Institute of Chartered Accountants in Australia. Ian has had over 40 years of experience in company corporate recovery and turnaround practice. He is also a director of a number of private and public companies. Ian is currently Chairman of InvoCare Limited, Energy One Limited and Australian Oil Company Limited and a director of McGuigan Simeon Wines Limited, Macquarie Goodman Management Limited and Reckon Group Limited. He has previously been chairman of Port Douglas Reef Resorts Limited and director of MIA Group Limited. He has significant experience in turnaround management, property and development, tourism, manufacturing, retail, hospitality and hotels, infrastructure and the aviation and service industries.

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

Resolution 3 – Re-election of Benjamin M T Chow

Benjamin Chow was appointed a director of InvoCare Limited on 22 February 2007, and also became a member of the Company's Risk Committee and the Nomination Committee on that date. His appointment, being after the previous annual general meeting, means he retires in accordance with the Company's Constitution, and being eligible, offers himself for re-election.

Benjamin has worked continuously in the land development industry both in Australia and South East Asia since 1968, having migrated to Australia in 1962. He chaired the Council for Multicultural Australia, which assists the Australian Government implement its multicultural policies. He has previously served as President of the Australian Chinese Community Association of NSW and President of the Chinese Australian Forum of NSW. He is a member of the Council of the National Museum of Australia, a member of the Bond University Council, a Vice President of the Ethnic Communities Council of NSW, Trustee and Vice-President of the Australian Chinese Charity Foundation and a director of Chain Reaction Foundation Ltd.

In January 2007, Benjamin was awarded an Officer of the Order of Australia for service to the community through inter-cultural activities to promote economic and employment opportunities and social interaction, including the establishment of Harmony Day.

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

Item 4 – Increase in directors' fee pool.

Resolution 4 – Increase in directors' fee pool

Under the Company's Constitution non-executive directors are entitled to be remunerated for their services as directors and the total amount of fees for all non-executive directors must not exceed the amount determined by the Company in general meeting. The remuneration is to be divided among the non-executive directors in the proportion and manner agreed by the directors or, in default of agreement, equally. The remuneration is taken to accrue from day to day.

At the Annual General Meeting held on 31 May 2004, shareholders approved a maximum aggregate non-executive directors' fee cap of \$400,000 per annum. Additional remuneration may be, but none has been, paid to directors for performing additional or special duties for the Company.

The directors' remuneration for the year ended 31 December 2006 is disclosed in the Remuneration Report set out on pages 43 to 53 inclusive of the 2006 Annual Report. The aggregate fees payable to the four non-executive directors for that year amounted to \$314,000.

The directors consider that the aggregate amount of non-executive directors' fees should be increased from \$400,000 to \$500,000, an increase of \$100,000, with effect from 1 January 2007. The increase is proposed:

- (a) following the appointment of an additional non-executive director, Benjamin Chow, which appointment was considered to be in the best interests of the Company;
- (b) 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 significantly increased responsibilities under the Corporations Act, ASX Listing Rules, other regulatory requirements and community expectations;
- (c) to respond to market rate increases for directors based upon advice received from external consultants; and
- (d) to continue the development and growth of the Company and shareholder value which have been experienced since the Company listed in 2003.

ASX Listing Rule 10.17 and article 9.9 of the Company's Constitution require shareholder approval be obtained for any proposed increase in total non-executive directors' fees.

Voting Exclusion Statement

The Company will disregard any votes on resolution 4, by any director of the Company, being Ian Ferrier, Richard Davis, Christine Clifton, Roger Penman, Richard Fisher and Benjamin Chow, and 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 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.

Item 5 – Financial Assistance

Resolution 5 – 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 sections 260B(2) and 260B(3) of the Act.

Summary

Over the past year, a subsidiary of the Company, InvoCare Australia Pty Limited, purchased Liberty Funerals Pty Limited and D & J Drysdale Pty Ltd (the "New Companies"), using funds provided under financial facilities available to the Company and its subsidiaries (the "Group"). A condition of those facilities is that new subsidiaries of the Company must accede to and become subject to those facilities. This would technically expose the New Companies to the financial indebtedness of the entire Group. The assumption of this exposure and InvoCare drawing on the financial facilities to acquire the New Companies together mean that the New Companies 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

1.1 Pursuant to an agreement entitled "Facility agreement" dated 16 December 2005, as amended and restated on 5 October 2006, between, amongst others, the Company and Australia and New Zealand Banking Group Limited ABN 11 005 357 522 ("ANZ"), (the "ANZ Facility Agreement"), and an agreement entitled "Facility agreement" dated 16 December 2005, as amended and restated on 5 October 2006, between, amongst others, the Company and National Australia Bank Limited ABN 12 004 044 937 ("NAB"), (the "NAB Facility Agreement"), financial accommodation, in the form of revolving loan facilities, have been made available to the Company and its subsidiaries on certain terms. Pursuant to the agreement entitled "Working capital facility agreement" dated 16 December 2005, 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 \$10,000,000 will be made available to the Company and its subsidiaries.

Together, the ANZ Facility Agreement, the NAB Facility Agreement and the Working Capital Facility Agreement comprise the "Existing Debt Facilities" and form the "Finance Documents".

1.2 A wholly owned subsidiary of the Company, InvoCare Australia Pty Limited, acquired the issued ordinary shares of Liberty Funerals Pty Limited on 1 March 2007 and the issued ordinary shares of D & J Drysdale Pty Ltd on 14 July 2006 (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

2.1 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.

2.2 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

3.1 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
- (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.

3.2 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:

- (a) 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; and
 - (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;
- (b) 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
- (c) making various representations and warranties and undertakings to ANZ and NAB from time to time.

3.3 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), 260B(2) 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

5.1 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.

5.2 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.

5.3 Albeit that there would be other recourse available to ANZ or NAB:

- (a) 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; and
- (b) 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.

5.4 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

Sections 260B(2) and 260B(3) of the Act provide that this shareholder approval 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 Corporations Act 2001.

By order of the Board
Phillip Friery
Company Secretary
23 April 2007

Note:

InvoCare Limited has determined, in accordance with regulation 7.11.37 of the Corporation Regulations 2001 (Cth), that Shares quoted on ASX at 7.00pm on 23 May 2007 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;
- 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 sections 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, 23 May 2007 at 11.00am (that is, at least 48 hours before the meeting). Proxies received after this time will not be accepted.**

6. Instructions for completing the proxy form are outlined on the form.
7. The proxy form 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 on line 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.
 - (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
8. Proxies given by corporate Shareholders must be executed in accordance with their Constitutions, or signed by a duly authorised attorney.
9. 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.
10. 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.
11. 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 23 May 2007.